



HUMAN CAPITAL, ORGANIZATIONAL COMMITMENT ON WORK MOTIVATION AND IMPLICATIONS TO EMPLOYEE PERFORMANCE

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Abstract

The purpose of this research is to determine the results of human capital, organizational commitment, work motivation and employee performance, to determine the magnitude of the influence of human capital, organizational commitment, on motivation and its implications for employee performance. The method used is descriptive and verification. Determining the sample in the research used the Slovin formula so that a sample of 104 respondents was obtained. Findings: result found human capital, organizational commitment, work motivation and employee performance were poor. And using Path Analysis, the results obtained show that there is an influence of human capital, and organizational commitment on motivation partially or simultaneously, as well as the influence of work motivation on employee performance.

**Keywords:** human capital; organizational commitment; work motivation

Article Info

History of Article  
Received: 24/11/2023  
Revised: 16/2/2024  
Accepted: 26/2/2024

Jurnal Riset Bisnis dan Manajemen  
Volume 17, No. 1, February 2024,  
Page 99-110  
ISSN 2088-5091 (Print)  
ISSN 2597-6826 (Online)

INTRODUCTION

SMEs in Indonesia have a strategic influence in nation development, this is shown in the 2005-2025 national long-term development plan (RPJPN), namely the nation's competitiveness, one of which is accelerating the domestic economy based on the advantages of each region towards competitive advantage. The realization of this competitiveness is through the development of SMEs. based on presidential instruction no. 6 of 2007 concerning the acceleration of the development of the real sector and SMEs, West Java Governor Regulation No.500/Kep-146-Bapp/2012 and No.52 of 2014 concerning the development of the West Java creative economy which includes SMEs, this shows the increasingly strong position of SMEs in development national. Even though the role of SMEs is very real in the regional and national economy, they still face fundamental problems of low quality and quality of human resources because they are run traditionally and passed down from generation to generation. Furthermore, in the planning stages of economic development in Indonesia, SMEs are managed by two departments, namely the Department of Industry and Trade and the Department of Cooperatives and UMKM. still not satisfactory. n line with that, based on BPS MSME Export Value in Table 1.

Table 1. MSME Export Value

No.	Country	Percentage Value (%)
1	Taiwan	65
2	Cina	50
3	Vietnam	20
4	Hongkong	17
5	Indonesia	9.29

Source: BPS Report (2022)

Table 1 shows that Indonesia has a contribution value of MSME exports that only reaches 9.29% compared to other countries in Asia. Understanding this, especially small and medium enterprises in West Java Province, especially SMEs with creative products, need to reorient their human resources (HR) or human capital as an important element in strengthening intellectual capital. Human resources are seen not as mere means of production. But as an important and strategic asset that determines the success of the Company, and SMEs are business entities consisting of a group of small and medium enterprises which are the largest group in the country's economy and are resilient to the global economic crisis and are able to absorb a large workforce.

Contribution of Small and Medium Enterprises and Big Efforts Against PRDB in West Java Province more to the Gross Regional Domestic Product (GRDP) than large businesses based on data from 2016 to 2020, such as in 2016 the contribution of Gross Regional Domestic Product of SMEs was 53.75% while that of Large Businesses was only 46.25%, then in 2017 the contribution of Gross Regional Domestic Product of SMEs was 54.20% while that of Large Businesses was only 45.80% and in 2018 the contribution to Gross Regional Domestic Product of SMEs was 54.55% while that of Large Businesses was 45.45%, in 2019 the contribution of Gross Regional Domestic Product of SMEs was 55.28% while that of Large Businesses was 44.25%, in 2020 the contribution of Gross Regional Domestic Product of SMEs was 55.39% while Large Businesses amounted to 44.10%. This percentage shows that the role of SMEs in West Java has an important role for the regional economy. Based on business scale, companies in West Java can be grouped into large businesses, medium businesses, small businesses and micro businesses. Micro businesses dominate economic businesses in West Java, while small businesses, medium businesses and large businesses only make up a small proportion.

Based on data from the West Java Provincial KUKM Service, in 2020 there were 9.166.503 multi-product SMEs spread across City Districts throughout West Java and only 140 multi-product SMEs were SMEs in the creative product sector, because of the many multi-product SMEs only 140 SMEs were SMEs producing creative products and superior products, as well as SMEs that have partnered and been coached by the Government under the auspices of the West Java Provincial KUKM Service in developing their business, partnering and coaching with the Regional Government is very important in empowering SMEs, especially in the field of creative products, because apart from excellence and their uniqueness, creative product SMEs will also be faced with internal and external company problems which become barriers to business development in West Java. According to (Basri, 2018) SMEs in the creative product sector are better able to survive the economic crisis longer, because they have more flexible characteristics and make better use of local resources so they can be relied on to support economic resilience, and further according to (Cahyadi, 2017), although The role of SMEs is very real in the global, regional and national economy, however, the majority of SMEs (especially in developing countries) still face fundamental problems such as the low quality of human resources because they are run traditionally and have been passed down from generation to generation.

Human resources are a very important central point for progress and development, most micro businesses and small businesses, especially creative products, grow traditionally and is a family business that has been passed down from generation to generation (Etania, 2022). The limited human resources of creative product SMEs, both in terms of formal education and knowledge and skills, greatly influence the management of the business, so that it is difficult for the business to develop optimally because every decision always relies on the leader and owner, and there is a gap in ability between the leader and employees, especially operational and managerial technical matters. In addition, with its limited human resources, it is relatively difficult for this business unit to adopt new technological developments to increase the competitiveness of the products it produces and also have an impact on applying for ISO certification because it is still considered not very important (Husniati, 2020).

The substance of intellectual capital is human resources. Effective management will increase the organization's ability to achieve the expected performance. Based on the background of the problem that has been described the problems that the author can formulate are as follows: 1. How much influence does the of human capital, organizational commitment and employee motivation on employee performance, 2. How much influence does the of human capital, on employee performance, 3. How much influence does the of organizational commitment on employee performance, 4. How much influence does the of employee motivation on employee performance.

Human Capital as defined by Chaerudin., (2019: 27) is the energy and talent available to an organization as potential contributors to the creation and realization of the organization's vision, mission and goals. Human capital is defined according to Ritonga (2019) as a company asset that leads to capabilities, talent, knowledge, competence or experience existing in employees and managers, this is necessary to carry out internal activities his job. A similar opinion was expressed by Sadikin (2023) in Nardo (2022) states that human capital is a reflection of the company's collective ability to produce the best based on knowledge possessed by people in the company. In other words, human capital will increase if the company is capable use the knowledge possessed by employees. According to Dessler (2020:248) argue that human capital can be interpreted as humans themselves, both individuals and teams in terms of individual capabilities, knowledge, commitment and personal experience loaned to the company. Human capital is everything about humans with all their capabilities so that they can create value for the company to achieve its goals.

Organizational commitment is a situation where an employee takes sides a particular organization and its goals and desires to maintain membership in that organization. So high job involvement means taking sides an individual's particular job, while high organizational commitment means favoring the organization that recruited the individual (Robbins, 2019). According to Mathis and Jackson (2018) organizational commitment is a level of up where employees believe in and accept organizational goals, and desire to stay with the organization. According to Luthans (2021) organizational commitment is a strong desire to remain as a member, members of a particular organization, the desire to strive hard in accordance with the wishes of the organization, as well as certain beliefs and acceptance of the organization's values and goals. In other words it is an attitude that reflects employee loyalty to the organization and the ongoing processes in which Organization members express their concern for the organization and its success as well sustainable progress. Organizational commitment relates to employees' feelings and beliefs about the organization he works for as a whole. According to Cahyani (2021), there is the dimension of organizational commitment is affective commitment, namely employee commitment. The person joins as a member of an organization, is happy, trusts, and feels good about being there.

According to Robbins (2019:201) motivation is the willingness to exercise high levels of effort to achieve organizational goals which are conditioned by the ability of the effort to meet certain individual needs. According to Wibowo (2020:322) Motivation is the encouragement of a series of human behavioral processes in achieving goals. According to Maruli (2020:58) says that work motivation is everything that arises from a person's desires, by generating passion and desires from within a person that can influence, direct and maintain behavior to achieve goals or desires that are in accordance with the scope of work. Supported by Ferdinatus (2020:3) who says that work motivation is something that must be built with a good personality or character, because encouraging work motivation that is based on wrong principles and reasons will result in personal and organizational losses. The importance of motivation because motivation is something that causes, distributes, and supports human behavior, so that they want to work actively and enthusiastically to achieve optimal results (Wolor et al., 2019). One aspect of utilizing employees or human resources is providing motivation (stimulating power) to employees so that employees can work optimally to provide benefits to the company. This means every employee who will provide beneficial possibilities for the company. Work motivation as a force within a person that influences the direction, intensity and persistence of a person's voluntary behavior to do work (Andriani, 2018).

The role of human resources is the key to achieving an organizational goal itself (Sukoco 2017). Mathis dan Jackson (2018:138) Performance is basically what employees do or don't do. According to John Miner (2018:70) argues that Employee performance is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him. According to Alini (2020) states that performance is output derives from processes, human otherwise. De Cenzo (2019:203) performance is a function of skills, abilities, motivation, and the opportunity to perform. According to Afandi (2018:83) argues that: Employee performance is the work result that can be achieved by a person or group of people in a company in accordance with their respective authority and responsibilities in an effort to achieve organizational goals illegally, does not violate the law and does not conflict with morals and ethics. Therefore, organizational companies must make human resources an important factor to manage (Alkhateeb, 2020). We need to realize that human resources are very important and determine the success of a company in achieving its vision and mission (Anatan, 2022). The success of an organization is determined by good performance.

West Java Province on creative products assisted by the West Java cooperative and MSME department taken as the object of research with reasons for considering development potential very large creative economy in the Province West Java, also based on statistical data from the creative economy agency in 2016, West Java Province was recorded as having a share of Gross Regional Domestic Product (GRDP) to Creative Product Economy GDP in 2016 of only 11.81%, the third highest after special region of Yogyakarta (DIY) amounting 16.12%, and Bali at 12.57%, even though West Java has great potential and is attractive to tourists, investors and the wider community towards West Java's creative economy. There are 27 regencies/cities in West Java which each have their own characteristics and creative economic potential.

## METHOD

Research design begins with identifying problems at the research location, formulating the problem, and developing a basic theory to strengthen the foundation of each variable. The sampling technique in this research is a saturated sample, namely a sample treatment in which all members of the population are sampled. This research adopted a quantitative methodology, and the survey was conducted using path analysis techniques. The research method used is the explanatory survey research method, namely research that uses a questionnaire as the main data collection tool, which explains the role of the independent variable on the dependent variable being studied. This research, the population was 140 Creative Product SMEs and sampel is 104 people UMKM under the guidance of and in partnership with the West Java Provincial Cooperative and UMKM Service

spread across 27 regencies or cities. Determining the number of samples from a certain population developed by Slovin for error rates of 1%, 5% and 10%. (Sugiono, 2020:40). A Likert scale questionnaire was used to collect primary and secondary data.

The validity and reliability of the instrument will determine the research results. Research that uses measuring instruments with proven validity and reliability will provide valid and reliable research results. This type of research is descriptive and quantitative analysis, Descriptive analysis, especially for qualitative, where the aim of descriptive research in this case is to obtain an overview of; human capital, Organizational commitment, Work Motivation and its implications for employee performance Employee Performance of UKM in West Java Province. And quantitative analysis in the form of hypothesis testing using statistical tests. Qualitative analysis is emphasized to reveal the behavior of research variables while descriptive analysis is used to explore the causal behavior. By using this analytical method, a comprehensive solution to the problem can be obtained. Verification analysis is a research method that aims to determine the relationship between two or more variables (Sugiyono, 2020:55). This method is used to test the truth of a hypothesis.

## RESULTS

The results of data processing and discussion in this research were obtained from distributing questionnaires to respondents as the main data source. Questionnaires were distributed to all 104 people UMKM. Descriptive results of the variables are as follows, Human capital, organizational commitment, employee motivation and performance. Recapitulation results, the average human capital response score from employees was 3.31. The overall result is that human capital falls into the poor category. The average score of the organizational commitment variable is 3.27, which is in the poor category, which shows that Employees lack commitment to work. Recapitulation results, the average response score from employees was 3.34. This means that in general the work motivation variable is included in the category of poor or less motivated employees. The average score of the employee performance variable is 3.39. This means that the performance of employees in creative product MSMEs is still underperforming. To analyze the cause and effect between human capital, organizational commitment, and work motivation toward employees' performance, path analysis is used. The model in path analysis is divided into two substructures, the following is a test of each substructure: The results of the substructure correlation test 1 are presented in the following Table 2.

Table 2. Substructure Correlation Test Results 1

		Human Capital	Organizational Commitment	Work Motivation
Pearson Correlation	Human Capital	1.000	.286	.364
	Organizational commitment	.286	1.000	.383
	Work Motivation	.364	.383	1.000
Sig. (1-tailed)	Human Capital		.000	.000
	Organizational commitment	.000		.000
	Work Motivation	.000	.000	
N	Human Capital	104	104	104
	Organizational commitment	104	104	104
	Work Motivation	104	104	104

Source: Processed by researchers (2022)

Based on Table 2, the correlation coefficient value of 0.383, meaningful relationship between exogenous variables organizational commitment and work motivation is quite strong and directional. The correlation between these two variables is also significant because the research sig number is  $0.000 < 0.05$ . This means that if the organizational commitment value is high then the work motivation variable is also valued high, and vice versa. The correlation coefficient variables human capital and organizational commitment is 0.286, A correlation of 0.286 means a relationship between variables human capital and organizational commitment is quite strong and unidirectional (because the correlation coefficient results are positive). Unidirectional meaning if the human capital value is high then the organizational commitment variable is also valued high, and vice versa. Correlation coefficient value between variables. Human capital and work motivation is 0.364. A correlation of 0.364 means a relationship between variables human capital and work motivation is quite strong and unidirectional (because the correlation coefficient results are positive). Unidirectional meaning if the human capital value is high then the work motivation variable is also valued high, and vice.

Regression coefficient analysis is used to see how much the exogenous variable (X) influences the endogenous variable (Y) expressed in percentage. The percentage role of all independent variables shown in the independent variable values is shown by the magnitude of the regression coefficient as in the following Table 3:

Table 3. Coeffisien Regretion Substruktur 1  
Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	sig.
		B	Std. Error	Beta		
1	(Constant)	13.222	2.454		5.388	.000
	Human Capital	.065	.019	.172	3.402	.001
	Organizational Commitment	.312	.053	.298	5.887	.000

a. Dependent Variable: Work Motivation  
Source: Processed by researchers (2022)

Based on the Table 3, all variables in substructure 1 have significant regression coefficients because their sig values are below 0.05 ( $0.001 < 0.05$ ) and ( $0.000 < 0.05$ ). The regression coefficients for substructure 1 are significant. Based on the test results, the regression coefficients can be analyzed using path analysis for sub-structure one, presented in the following calculations Table 4 and Table 5:

Table 4. Calculation of The Direct and Indirect Influence of Variable  $X_1$  on Y

Direct Influence of Variable $X_1$ to Y	$X_1 \rightarrow Y$	P(a1)	$\rho_{YX_1} \times \rho_{YX_1}$	$0.172 \times 0.172$	=
				$0.0296 = 2.96\%$	
Indirect Through Influence Variabel $X_2$ to Y	$X_1 \rightarrow X_2 \rightarrow Y$	P(a2)	$r_{X_1X_2} \times \rho_{YX_2}$	$0.383 \times 0.298$	=
				$0.1141 = 11.41\%$	
Total Influence of Variables $X_1$ to Y		P1	$P(a1) + P(a2)$	$0.0296 + 0.1141$	=
				$0.1437 = 14.37\%$	

Source: Processed by researchers (2022)

Table 5. Calculation of The Direct and Indirect Influence of Variable  $X_2$  on Y

Direct Influence of Variable $X_2$ to Y	$X_2 \rightarrow Y$	P(b1)	$\rho_{YX_2} \times \rho_{YX_2}$	$0.298 \times 0.298 = 0.0888 = 8.88\%$
Indirect Influence of Variable $X_1$ to Y	$X_2 \rightarrow X_1 \rightarrow Y$	P(b2)	$r_{X_1X_2} \times \rho_{YX_1}$	$0.383 \times 0.172 = 0.0658 = 6.58\%$
Total Influence of Variables $X_2$ to Y		P2	$P(b1) + P(b2)$	$0.0888 + 0.0658 = 0.1547 = 15.47\%$

Source : Processed by researchers (2022)

Based on the Table 4 and Table 5, total influence of human capital ( $X_1$ ) and organizational commitment ( $X_2$ ) on employee performance (Y) are as follows :

- Total influence Y,  $X_1, X_2 = P1 + P2$
- Total influence Y,  $X_1, X_2 = 0.1437 + 0.1547$
- Total influence Y,  $X_1, X_2 = 0.298 = 29.8\%$
- Total influence of other variables outside the research
- $\rho_{\epsilon_1} = 1 - R^2$
- $\rho_{\epsilon_1} = 1 - 0.158$
- $\rho_{\epsilon_1} = 0.842 = 84.2\%$

Than it is presented in the path diagram Figure 1 as follow:

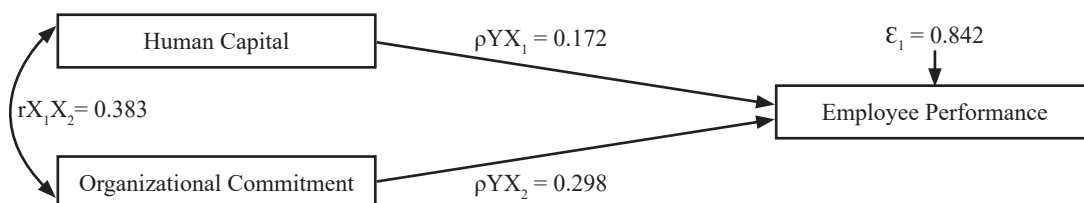


Figure 1. Substructure Path Coefficient 1  
Source : Processed by researchers (2022)

Based from Figure 1, the value of the structural equation is obtained as following :

$$Y = \rho_{YX_1} X_1 + \rho_{YX_2} X_2 + \epsilon_1$$

$$Y = 0.172 X_1 + 0.298 X_2 + 0.842$$

The summary of the Table 6 results is as follow:

Table 6. Summary Calculation of The Direct and Indirect Influence of Variable Structure 1

Variabel	Direct influence Employee	Indirect Influence through Variable		Total Influence
	Performance (Y)	X <sub>1</sub>	X <sub>2</sub>	
Human Capital (X <sub>1</sub> )	2.96%	-	11.41%	14.37%
Organizational commitment (X <sub>2</sub> )	8.88%	6.58%	-	15.47%

Source: Processed by researchers (2022)

The results of substructure correlation test 2 are presented in the following Table 7.

Table 7. Substructure Correlation Test Results 2  
Correlations

		Work Motivation	Human Capital	Organizational Commitment	Employee Performance
Pearson Correlation	Work Motivation	1.000	.363	.463	.500
	Human Capital	.363	1.000	.383	.286
	Organizational Commitment	.463	.383	1.000	.364
	Employee Performance	.500	.286	.364	1.000
Sig. (1-tailed)	Work Motivation	.000	.000	.000	.000
	Human Capital	.000	.000	.000	.000
	Organizational Commitment	.000	.000	.000	.000
	Employee Performance	.000	.000	.000	.000
N	Work Motivation	104	104	104	104
	Human Capital	104	104	104	104
	Organizational Commitment	104	104	104	104
	Employee Performance	104	104	104	104

Source: Processed by researchers (2022)

Based on Table 7, the correlation coefficient value of 0.383, meaningful relationship between exogenous variables human capital and organizational commitment is quite strong and directional. The correlation between these two variables is also significant because the research sig number is  $0.000 < 0.05$ . This means that if the human capital value is high then the organizational commitment variable is also valued high, and vice versa. The correlation coefficient variables human capital and work motivation is 0.363, A correlation of 0.363 means a relationship between variables human capital and work motivation is quite strong and unidirectional (because the correlation coefficient results are positive). Unidirectional meaning if the human capital value is high then the work motivation variable is also valued high, and vice versa. Correlation coefficient value between variables. organizational commitment and employee performance is 0.463. A correlation of 0.463 means a relationship between variables organizational commitment and employee performance is quite strong and unidirectional (because the correlation coefficient results are positive). Unidirectional meaning if the organizational commitment value is high then the employee performance variable is also valued high, and vice. Furthermore The correlation coefficient variables work motivation and employee performance is 0.500, A correlation of 0.500 means a relationship between variables work motivation and employee performance is quite strong and unidirectional (because the correlation coefficient results are positive). Unidirectional meaning if the work motivation value is high then the employee performance variable is also valued high, and vice versa.

Regression coefficient analysis is used to see how much the exogenous variable (X) influences the endogenous variable (Y) expressed in percentage. The percentage role of all independent variables shown in the independent variable values is shown by the magnitude of the regression coefficient as in the following Table 8:

Table 8. Coeffisien Regretion Substruktur 2  
Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	sig.
		B	Std. Error	Beta		
1	(Constant)	20.563	2.265		9.078	.000
	Human Capital	.060	.017	.156	3.480	.001
	Organizational Commitment	.292	.049	.274	5.937	.000
	Work Motivation	.363	.045	.355	7.996	.000

a. Dependent Variable: Employees Performance

Source: Processed by researchers (2022)

Based on Table 8 is known The Beta coefficient value (Standardized Coefficient Beta column) of the influence of the representative human capital variable on work motivation ( $X_1 \rightarrow Z$ ) is 0.156, This value shows influence human capital variable on work motivation partially it is 15.6%. The Beta coefficient value (Standardized Coefficient Beta column) of the influence of the organizational commitment variable on work motivation ( $X_2 \rightarrow Z$ ) is 0.274, This value shows influence organizational commitment variable on work motivation partially it is 27.4%. Furthermore The Beta coefficient value (Standardized Coefficient Beta column) of the influence of the employee performance variable on work motivation ( $Y \rightarrow Z$ ) is 0.355, This value shows influence employee performance variable on work motivation partially it is 35.5%. Path analysis for sub structure 2 is presented in the following calculations Table 9, Table 10 and Table 11:

Table 9. Calculation of The Direct and Indirect Influence of Variable  $X_1$  on Z

Direct Influence of Variable $X_1$ to Z	$X_1 \rightarrow Z$	P(c1)	$\rho ZX_1 \times \rho ZX_1$	$0.156 \times 0.156 = 0.0243 = 2.43\%$
Indirect Through Influence Variabel $X_2$	$X_1 \rightarrow X_2 \rightarrow Z$	P(c2)	$r X_1 X_2 \times \rho ZX_2$	$0.383 \times 0.274 = 0.1049 = 10.49\%$
Indirect Through Influence Variabel Y	$X_1 \rightarrow Y \rightarrow Z$	P(c3)	$\rho YX_1 \times \rho ZY$	$0.172 \times 0.355 = 0.0610 = 6.10\%$
Direct Influence of Variable $X_1$ to Z		P3	$P(c1) + P(c2) + P(c3)$	$0.0243 + 0.1049 + 0.0610 = 0.1902 = 19.02\%$

Source: Processed by researchers (2022)

Table 10. Calculation of The Direct and Indirect Influence of Variable  $X_2$  to Z

Direct Influence of Variable $X_2$ to Z	$X_2 \rightarrow Z$	P(d1)	$\rho ZX_2 \times \rho ZX_2$	$0.274 \times 0.274 = 0.0750 = 7.50\%$
Indirect Through Influence Variabel $X_1$	$X_2 \rightarrow X_1 \rightarrow Z$	P(d2)	$r X_1 X_2 \times \rho ZX_1$	$0.383 \times 0.156 = 0.0597 = 5.97\%$
Indirect Through Influence Variabel Y	$X_2 \rightarrow Y \rightarrow Z$	P(d3)	$\rho YX_2 \times \rho ZY$	$0.298 \times 0.355 = 0.1057 = 10.57\%$
Direct Influence of Variable $X_2$ to Z		P4	$P(c1) + P(c2) + P(c3)$	$0.0750 + 0.0597 + 0.1057 = 0.2404 = 24.04\%$

Source: Processed by researchers (2022)

Table 11. Calculation of The Direct influence of Variabel Y on Z

Direct influence of Variable Y to Z	$Y \rightarrow Z$	P5	$\rho ZY \times \rho ZY$	$0.355 \times 0.355 = 0.1260 = 12.60\%$
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Source: Processed by researchers (2022)

Based on the Table 9, Table 10 and Table 11, total Influence of human capital ( $X_1$ ) and Organizational commitment ( $X_2$ ) on employee performance (Y) are as follows :

Total influence Z, Y,  $X_1$ ,  $X_2$  = P3 + P4 + P5  
 Total influence Z, Y,  $X_1$ ,  $X_2$  = 0.1902 + 0.2404 + 0.1260  
 Total influence Z, Y,  $X_1$ ,  $X_2$  = 0.5566 = 55.66%  
 Total influence of other variables outside the research  
 $\rho \epsilon_2 = 1 - R^2$   
 $\rho \epsilon_2 = 1 - 0.361$   
 $\rho \epsilon_2 = 0.639 = 63.9\%$

Than it is presented in the path diagram Figure 2 as follow :

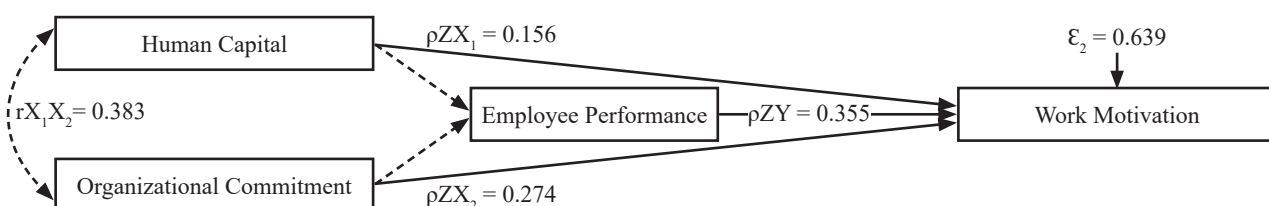


Figure 2. Substructure Path Coefficient 2  
Source : Processed by researchers (2022)

Based from Figure 2, the value of the structural equation is obtained as following :

$$Z = \rho_{ZX_1} X_1 + \rho_{ZX_2} X_2 + \epsilon_2$$

$$Z = 0.156 X_1 + 0.274 X_2 + 0.355 Y + 0.639$$

The summary of the Table 12 results is as follow:

Table 12. Summary Calculation of The Direct and Indirect Influence of Variable Structure 2

Variable	Direct influence Work Motivation (Z)	Indirect Influence through Variable			Total Influence
		X <sub>1</sub>	X <sub>2</sub>	Y	
Human Capital (X <sub>1</sub> )	2.43%	-	10.49%	6.10%	19.02%
Organizational commitment (X <sub>2</sub> )	7.50%	5.97%	-	10.57%	24.04%
Employee Performance (Y)	12.60%	-	-	-	12.60%

Source : Processed by researchers (2022)

Based on the calculations above, if described in the overall path analysis model, it is Figure 3 as follows:

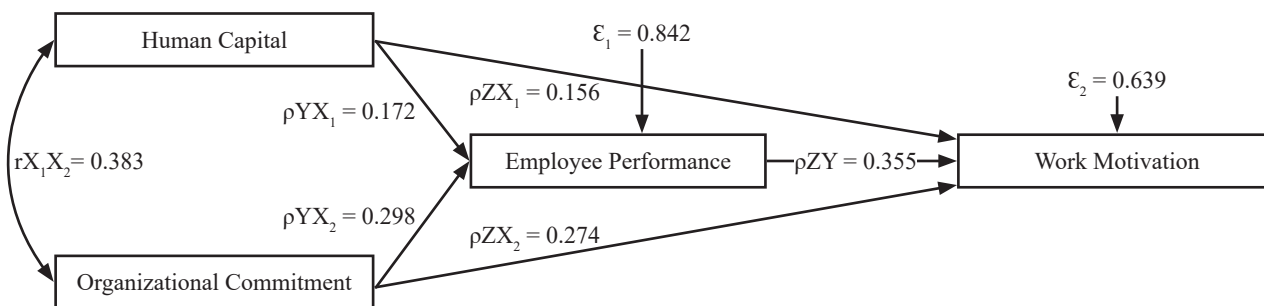


Figure 3. Overall Path Coefficient  
Source : Processed by researchers (2022)

## DISCUSSION

The results are descriptive responses of 104 MSME respondents. The human capital variables organizational commitment, work motivation and employee performance are in the poor category. This can mean that human resources are considered as the main capital among all assets owned by the organization, namely employees or workers are assessed as a dynamic asset whose value should be persistent increasing in reality is not good or not increasing, also employee work motivation is in a condition of lacking work motivation, and employees lack commitment to the organization, resulting in poor performance. The human capital variable (X<sub>1</sub>) has a path coefficient of 0.172 or 17.2%, which means it has a positive direction of influence. Furthermore, the significance level has a probability value of 0.001 < 0.05. This means that H1 is accepted so it can be concluded that human capital has a direct and positive effect of 17.2% on employee performance (Y). The positive direction of the relationship means that the better the applied human capital will contribute to employee performance. The results of this research explain that human capital can have a direct influence on employee performance. This is in relevant with research by Ina Syarifah (2020), stating that the results of this research also show that the human capital variable has an influence directly with MSME performance variables. This means that when the capital variable human beings are increased by one, then the performance variables of MSMEs will increase also 33.4 percent.

Research from Agtovia (2020) that increases capital MSME human capital is a factor main determinant of MSME performance. Research from Tovan (2022) shows that the percentage of donations the influence of the variable owner human capital and employee human capital simultaneously on business performance of 63.70%. While the remaining 36.30% influenced or explained by other variables which is not included in the model study. Furthermore, research from Hasnawati (2023) shows that human capital has a positive and significant effect on Employee Performance. The path coefficient for the organizational commitment variable (X<sub>2</sub>) on employee performance (Y) is 0.298 or 29.8%, indicating a positive relationship, which means that the better the organizational commitment, the higher the employee performance. Apart from that, it is also known that if the sig value (0.000) < (0.05), then Ho is rejected. and H1 is accepted, in other words there is a direct



influence between organizational commitment and employee performance. The results of this research explain that organizational commitment has a direct effect on employee performance. This is relevant to research from Anatan (2022) is influential organizational commitment to performance is 0.37 or 37 percent. Results This research shows that there is a positive and significant influence of commitment organizational impact on performance. Rahmat (2023) Organizational Commitment has a positive and significant influence on the performance variable of wood lathe MSME employees in Kedungwaru District. So the better the employee's commitment in carrying out their duties, the better their performance results will be. Syamsia Ratu (2021) organizational commitment also has a positive influence on the performance of SMEs. The path coefficient of the human capital variable ( $X_1$ ) on work motivation ( $Z$ ) is 0.156 or 15.6%, indicating a positive relationship, which means that the better the human capital, the higher the contribution to changes in work motivation. Apart from that, it is also known that the sig value ( $0.001 < \alpha (0.05)$ ) then H1 is accepted, in other words there is a positive direct influence between human capital and work motivation.

The results of this research explain that Medina (2022) knowledge and skills are human capital and influence increasing motivation (intrinsic and extrinsic), entrepreneurial motivation, and work motivation for Micro, Small and Medium Enterprises (MSMEs). Mochammad (2023) Productivity is the result of human capital and with productivity it can motivate Surabaya's coastal SMEs. Sitti (2023) The results of his research stated that human capital includes character, attitude and self-motivation, with human capital one of them can increase employee motivation. Then the Variable path coefficient organizational commitment variable ( $X_2$ ) on work motivation ( $Z$ ), amounting to 0.274 or 27.4% shows a positive relationship direction, which means that the better organizational commitment will contribute to higher work motivation. Apart from that, it is also known that the sig value ( $0.000 < \alpha (0.05)$ ) means that H1 is accepted, in other words there is direct influence of organizational commitment on work motivation. This statement is relevant to research from Ratmini (2019) Organizational commitment influences employee work motivation, further research from Sindi (2020) organizational commitment have a big influence in achieving work motivation, because of deep commitment organization is needed as something that influences employee morale. Employees who own High commitment is expected able to demonstrate quality optimal work. Employee who has commitment the organization will show willingness to work hard achieve organizational goals, where is organizational commitment as the basis of that desire strong employees at work or maintain his job. Akhmad Karim (2022) he results obtained from the organizational commitment variable on work motivation partially obtained a coefficient value of 0.258, which means that for every increase in the organizational commitment variable by 1, work motivation will increase by 25.8% with the assumption that other variables are considered constant.

Then the results are verified path analysis, the human capital variable ( $X_1$ ) has a direct path coefficient of 0.156 and an indirect path coefficient through employee performance of 0.0610 ( $0.172 \times 0.355$ ). The increase in direct and indirect influence is 0.0610, which means it has a positive direction of influence. This means that H0 is rejected so it can be concluded that human capital indirectly influences employee performance through work motivation. The results of the work motivation path coefficient are influenced by human capital through employee performance by 6.10%, so if human capital increases it will increase work motivation by 6.10%. This research is relevant to the research results from Dhea (2017) the research results indicate that the ability ( $X_1$ ) has a direct influence by 14.30%, the indirect influence through its relationship with the motivation ( $X_2$ ) amounted to 10.36%, indirect effect through Commitment ( $X_3$ ) at 2.44% and the total effect amounted to 27.10%. Variable Motivation ( $X_2$ ) has a direct influence by 22.56%, the indirect influence through its relationship with the ability ( $X_1$ ) of 10.36%, and the indirect influence through commitment variable ( $X_3$ ) of 2.31%, so that the total effect of 35.20%. Variable commitment ( $X_3$ ) have direct influence by 2.95%, while the indirect effect through its relationship with the ability ( $X_1$ ) of 2.44%, and the indirect influence through motivation ( $X_2$ ) is 2.31%, so that the total effect of 7.70%. The coefficient of determination calculation results are expressed as a percentage portray the contribution of all the independent variables are capabilities ( $X_1$ ), motivation ( $X_2$ ), and commitment ( $X_3$ ) in determining variation employee performance ( $Y$ ) is approximately 70.03%. While the rest are other factors not examined.

The organizational commitment variable ( $X_2$ ) has a direct path coefficient of 0.274 and an indirect path coefficient through employee performance of 0.1057 ( $0.298 \times 0.355$ ). The increase in direct and indirect influence is 0.1057, which means it has a positive direction of influence. This means that H0 is rejected so it can be concluded that organizational commitment indirectly influences work motivation through performance variables. The results of the work motivation path coefficient are influenced by organizational commitment through performance by 10.57%, so if organizational commitment is good it will increase work motivation by 10.57%. This research is relevant to the research results from Oktavia (2021) the results of these calculations shows that work motivation proven to be an intervening variable in the relationship between Commitment organizational with Performance. This is proven by the results calculation of valuable

Indirect Effects 0.37859. Total influence (Total Effect) organizational commitment to performance through motivation of 0.293. This shows that employee work motivation will become mediator for the relationship between variables organizational commitment with performance. The path coefficient of the employee performance variable on work motivation is 0.355 or 35.5%, indicating a positive relationship, which means that the better the employee's performance, the higher the contribution to changes in work motivation. Apart from that, it is also known that the sig value (0.000)  $< \alpha$  (0.05), then  $H_0$  is rejected, in other words there is a significant influence between employee performance and work motivation. This research is relevant to the research results from Marvina (2023). The employee performance variable on work motivation shows a positive relationship, which means that the better the employee's performance, the better the contribution to changes in work motivation.

## CONCLUSION

Based on the results of the research and discussion, it can be concluded that the results are descriptive of the responses of 104 MSME respondents. The human capital variables organizational commitment, work motivation and employee performance are in the poor category, then the results are verified path analysis calculations human capital has a direct and positive effect of 17.2% on employee performance, the variable of organizational commitment affects employee performance by 0.298 or 29.8%, human capital variable on work motivation is 0.156 or 15.6%, the variable of organizational commitment affects work motivation by 0.274 or 27.4%. The human capital variable has a direct path coefficient of 0.156 and an indirect path coefficient through employee performance of 0.0610 (0.172x0.355). The increase in direct and indirect influence is 0.0610, which means it has a positive direction of influence, the organizational commitment variable has a direct path coefficient of 0.274 and an indirect path coefficient through employee performance of 0.1057 (0.298x0.355). The increase in direct and indirect influence is 0.1057, which means it has a positive direction of influence. The path coefficient of the employee performance variable on work motivation is 0.355 or 35.5%, indicating a positive relationship, which means that the better the employee's performance, the higher the employee's work motivation will be. The newest finding from this research is that it was carried out on MSMEs specifically for creative products under the guidance of the West Java Province Cooperatives and MSMEs Department. The limitation of this research is the limited number of MSMEs specifically for creative products under the guidance of the West Java Province Cooperatives and MSMEs Department, so it has not yet touched on MSMEs specifically for creative products that are not under the guidance of the West Java Province Cooperatives and UMKMs Department, although MSMEs specifically for creative products that are not under the guidance of the West Java Province Cooperatives and UMKMs Service also need input and direction from the results of this research for the progress of their business.

Based on the researcher's direct experience in the research process in this case, there are several limitations experienced and can be a factor for further attention by future researchers to further perfect their research, because of this research has shortcomings that need to continue to be corrected in the future. Several limitations in this research include the number of respondents, which was only 104 creative product SMEs, is of course still insufficient describes the actual situation for a fairly large area of West Java. In future research, it is recommended to take samples more, this aims for more data accuracy depth, as well as additional other possible variables as well influenced many things in this research.

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