

## **ABSTRACT**

*The development of education today is increasing more rapidly and has a high level of standard, thus requiring Telkom University as one of the business players in the education world to improve the quality of work both in terms of staff, faculty and students in order to be more superior to the other competitors and know how to improve the value of the company. Knowledge as one of the intangible assets possessed by workers which is of high importance to be managed by Telkom University. The purpose of this study is to identify the influence and identifying the biggest dimensions that affect of knowledge sharing on the absorptive capacity and absorptive capacity on the innovation capability in Y generation at the Telkom University.*

*In the early stages of deployment questionnaires are distributed to the entire Non Prodi staff of Telkom University as the respondents, following which is data collection for validation and reliability test using CFA. In the last stage path analysis is performed using PLS method in order to represent data in the form of path diagram.*

*The results of this study show a significant effect of knowledge sharing on absorptive capacity and innovation capability in Y generation at Telkom University. Knowledge donating dimension has the greatest influence on absorptive capacity, while exploitation dimension has the greatest influence on innovation capability.*

*Future studies may consider factors other than knowledge sharing and absorptive capacity carried out in other division apart from non-Prodi unit at Telkom University.*

*Keywords: Absorptive Capacity, Innovation Capability, Knowledge Sharing, PLS, Y Generation.*