

## **ABSTRACT**

*In the development of educational service providers that is growing rapidly, excellent service, future prospects and innovation are required in order to excel in the competition. Telkom University as an education provider which recently underwent a name change needs an extra effort to better the transformation as supported by quality system and strongly-committed human resources, hence good work process from the staff and knowledge building which becomes an asset of paramount importance in an organization are absolutely necessary. Knowledge from each staff can be collected and stored in order for it to be shared with the entire elements in the organization so as to improve the work process and ensure that innovation can be created by everyone, regardless of position.*

*This research is focused on baby boomers and X generation in the process of knowledge sharing conducted at Telkom University. From knowledge sharing process, the level of organizational and individual capability of absorbing new knowledge both from internal and external environment is later determined. The ability to absorb knowledge can construct a motivation in a work system in order to increase the value of a company, and thus questionnaires are distributed to Non-Prodi staff at Telkom University to learn of the process. After the data is gathered, data is processed using PLS method to test its validity and reliability, measure the structural model and perform hypothesis testing on the influence between the variables. The result of the data processing can be used to learn of the significant influence of knowledge sharing on absorptive capacity and the influence of absorptive capacity on innovation capability.*

**Keyword:** *Absorptive capacity, Baby boomers generation, Innovation capability, knowledge sharing, PLS method, X generation*