

Talent Management: Effects on Organizational Performance in Creating Competitive Advantage

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Abstract. In the midst of competition between companies as it is today, creating a competitive advantage is an absolute must for companies. One way to create excellence is with the presence of human resources who have the ability, knowledge and skills according to the company's needs. HR is the most important capital for the smooth operation of the company. So many companies like today are far paying attention to their human resources. To manage HR in a good direction, talent management is needed in improving and developing HR potentials within the company. The purpose of this study was to examine the effect of talent management and employee engagement on employee performance at CV. Maxmoda Indo Global. The method used in this study is to use the census method with the help of the SPSS program to process the collected data. The partial test results show that talent management has a significant effect on employee performance. From the simultaneous test, it can be seen that employee engagement has a positive and significant effect on employee performance. Talent management and employee engagement together have a positive and significant impact on employee performance.

Keywords: *Talent Management, SDM, Organization, Competitive Advantage*

Introduction

Human resource management has developed far from before, where currently management carries out more strategic functions than administrative functions. One of the strategic functions of Human Resources in organizations is to prepare human resources or talents within the organization who have the capability and potential to support the achievement of organizational strategy, improve employee performance and also employee engagement (Senge, 1990). Human resources or human capital is a very important and strategic capital in a company's organizational life. The investments made to improve human resources are not small in number, but the results are difficult to feel in the short term. It takes time and patience and the right method to produce the desired human resources.

One of the company's efforts to retain employees in the organization is by implementing Talent Management to support employee performance within the organization (Abdul Aziz, Isnawati & Siswati, 2021). The company currently expects to have human resources in a superior group (talented employees), so that from the company comes the need to maintain the talent owned by the company in a talent management strategy. One of the efforts to acquire, develop and retain talented employees is through talent management. According to Pella & Afifah talent management is a process to ensure the company's ability to fill key positions of the company's future leaders (company future leaders) and positions that support the company's core competencies (Darmin Ahmad Pella, 2011). According to Inayati in his book Talent Management, talent management is a series of integrated organizational HR processes designed to develop, motivate and maintain the productivity of the employees involved. Talent management can be defined as a systematic strategic effort planned by a company to use a set of human resource management practices which include recruiting and appraising employees, learning and development, performance management, and compensation to attract, retain, develop and motivate employees. Talent mapping is a step that can be taken to find out the answer. Talent mapping is an activity of mapping HR competencies in the company. The company wants to know the existing HR competency percentage map and compare it with the resulting performance.

According to HR Technologist, there are six processes in the talent management process.

Planning

Planning is the first step in the talent management process. This involves identifying what is needed to start the talent management process. Such as required requirements, formulating job descriptions for required positions, and developing manpower plans for recruitment initiatives.

Attract Applicants' Attention

Based on the plan, the next step is to decide whether the position should be filled from within the company or from outside. The process will involve attracting applicants. If you will take from external sources, talent management will announce it through job portals, social networks, and referrals. The talent pool must be identified in advance to keep the process as smooth and efficient as possible. This is where the company's branding that is built plays a role in determining the quality of incoming applications.

Selection of Applicants

This process involves using a series of tests and examinations to find the right match between the applicant and the employer for the job. Written tests, interviews, group discussions, and psychometric testing as well as an in-depth analysis of all available information about the candidate help in measuring the complete picture of the applicant.

Developing Employees

Developing employees helps them grow with the organization. In addition, this talent management process can train them for the skills needed to contribute to business success as well as build loyalty and increase employee engagement. This process can be started with an effective orientation and training program to help employees adjust to new roles. Then, there are many opportunities to improve skills, talents, and skills and enable growth through counseling, coaching, mentoring, and job rotation schemes.

Retaining existing employees

For a company to be truly successful, sustainable, existing employees need to be effectively retained. Most companies try to retain their best employees through promotions, offering opportunities for career development, to encouraging involvement in special projects. In addition, there may also be decision-making involvement, training for more developed roles, and reward programs.

Transition

Effective talent management focuses on the collective transformation and evolution of the company through the growth of individual employees. This includes making each employee feel that they are part of a larger whole. Providing retirement benefits, conducting exit interviews and effective succession planning may seem like unrelated career points but they are all transitional tools that enable a shared journey.

Employee engagement is one of the most recent issues developing in human resource management, playing a role in retaining talent in any organization. Employee engagement is considered the most important factor in the success of any organization and organizations strive to involve employees in their work, by offering them various types of tangible and intangible rewards (Gulzar and Durrani 2014). According to Schaufeli, employee engagement is defined as a positive motivational state that contains the characteristics of persistence, enthusiasm, and totality towards work (Schaufeli, Salanova, Gonzalez-Roma, V., & Bakker, 2002). The positive relationship between talent management and employee retention within the company is influenced by the role of employee engagement (Alias, Z., Zawawi, E. M. A., Yusof, K. and Aris, 2014). Employee engagement encourages the effectiveness of talent management in the organization and provides improvements to employee performance (Nisa, 2016). Employees in a company will be bound and have the ambition to contribute to organizational goals when they feel appreciated by their leaders (Gerhana, W., Rehti, R., & Wasis, 2019).

From Kevin Kruse's view quoted by Forbes, some employees feel comfortable working in a company, but there are also some employees who do not feel less involved in the goals and responsibilities of the tasks in the company. Therefore, the comfort and happiness of employees is also important to note, so that employees feel that their presence in an organization is needed. Employees who feel their existence is needed by their organization will be able to give their best contribution to the development of achieving organizational goals. Here are some employee engagement points of view from the company including:

Organization view

From the perspective of the organization, employee engagement is seen as the role of employee loyalty in working for the achievement of the company's organizational goals. Not only completing tasks that are his responsibility, but in a broad sense he is able to help carry out tasks that are not his main duty. Achievement of effectiveness and efficiency in carrying out the tasks it does.

Employee view

From the employee's point of view, employee engagement is seen as an employee's awareness of the responsibilities that are their duties. Employees have an attachment to their work so that they have the motivation to be enthusiastic in completing work more efficiently.

In applying employee engagement in a company, the most important thing that can be done is to know the needs and be able to map the position or levels of employees at various levels in employee engagement. Below are the levels of engagement within a company including:

Not tied (engagement) at all

Employees who are in this position they will only tend to work for the sake of getting a salary to meet their needs alone. As a result, there is no more desire for them to develop their careers and performance in a corporate organization. Alternative actions that can be used are to approach by trying to meet their needs and motivate the employee so that in the future they can develop and want to improve their performance in an organization.

Unbound (engagement)

Employees in this position are still classified as slightly better than the first position, but employees in this position do not have the motivation within themselves to move forward. Even so, employees in this position are a little better, there is still participation to blend in with the surrounding work environment to do and complete their work with a reasonable average time.

Hamper bound (engagement)

In this position, the employee performs the work that is his responsibility quite well and not only as long as it is finished, but there is an intention to create efficiency in doing the work. But on the other hand there is no encouragement for employees in this position to develop their performance towards a better direction

Bound (engagement)

Employees in this position are more courageous and enthusiastic in working by creating efficiency in their work environment. Employees are aware that their current position is needed by the company in achieving company goals, therefore they will always be motivated to work.

Very attached (engagement)

Employees in this position they will try to finish the job quickly, because they believe that with a good contribution the company will also provide the best for them.

According to Prof. Dr. Moeheriono, M.Si. in his book entitled "Competency-Based Performance Measurement", employee performance is a performance result that can be achieved by a person or group of people in an organization both qualitatively and quantitatively, in accordance with their respective authorities, duties, and responsibilities in an effort to achieve the goals of the organization concerned are legal, do not violate the law, and are in accordance with morals or ethics. Employee performance is strongly influenced by several factors, including:

Discipline

Employee discipline is very necessary for the smooth running of the company's business. Each employee is expected to have a disciplined attitude to follow company rules and carry out their respective duties. The company itself can make policies that will affect employee discipline.

Work Motivation

Motivation is an impulse that arises in a person consciously or unconsciously to take an action with a specific goal. The motivation of each employee is of course different. There are employees who are motivated to work for money in order to fulfill their needs and wants. There are also those who are motivated by high positions.

Compensation or Incentive

Compensation can be given in the form of bonuses that will improve performance. The lure of a promotion will also make employees improve their performance. Apart from being a reward for employees who work very well, this is also expected to spur other employees to work even better.

Leadership Style

Employees who have good leaders will usually give good performance as well. The style of superiors in leading their employees will greatly affect the performance of the company and employees. A good leadership style is to protect employees to be able to complete their respective tasks without putting too much pressure on them.

Work Environment

Another factor that will affect employee performance or employee performance is the work environment. A clean and comfortable work environment will make employees feel calm and can focus more on their work. The availability of complete work equipment also makes employee

performance more leverage. Companies also need to pay attention to the health and safety of their employees by providing a pleasant and appropriate work environment.

Employee performance is very important to improve and advance the company's business. Companies need to put employees in the right position so that their performance can be maximized. With good talent management management within the company, it is able to help companies find people and place them in the right positions according to their abilities.

CV. Maxmoda Indo Global is a company engaged in the textile industry. Based on the initial survey conducted by the company, internal conflicts often arise, starting with high employee turnover rates, difficult targets to achieve, disputes between employees, and many employees complaining about company policies. In the study conducted, it was also found that the placement of people in it was not in accordance with their abilities.

Rampersad (2006:234) argues that: "Talent management is a way of managing talent in the organization effectively, planning and developing succession in the company, realizing the maximum self-development of employees, and optimal utilization of talent". This is able to prove that talent management is an absolute must in an organization to find the best talents to fill the right positions in the company. With good talent management, the company is expected to be able to develop and improve the capabilities of these human resources.

Talent management programs are needed in every company to support operational activities which include recruitment, selection, development, evaluation, employee turnover and planning activities. Glen (2006) revealed, employee engagement is one of the factors that have an impact on the entry and exit of employees in a company. With the lack of employee retention in the organization, the organization does not need to train new potential to work in it, but the existing human resources are trying to be developed towards increasing their abilities and skills.

Employees who feel valued, valued, and recognized for their existence will be more motivated and improve themselves in their work, employees will engage if the company is felt to be able to provide them with comfort in their work compared to employees who do not feel appreciated by the company (Mohammed, 2015) . The sense of with the organization is influenced by several factors such as emotional and rational factors related to work and overall work experience.

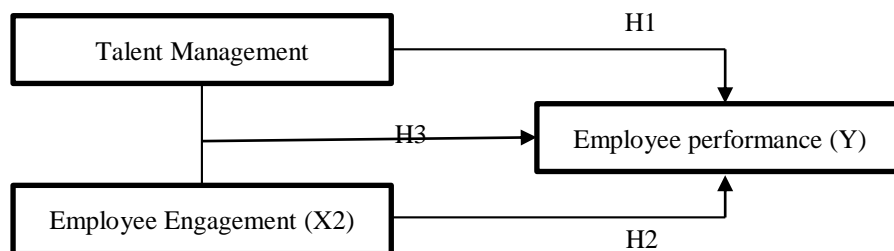


Figure 1. Theoretical Framework

Research Method

This research is an associative research that aims to determine the relationship between two or more variables (Sugiyono, 2008). The use of this method is to analyze the effect of talent management and employee engagement on employee performance at CV. Maxmoda Indo Global. Researchers chose this location as a research location because of the discovery of internal company problems related to the problem of low employee performance which was influenced by several factors, namely the lack of attention from the organization in managing talent management and the lack of employee engagement in the organization. While the object of research is talent management, employee engagement, and employee performance CV. Maxmoda Indo Global.”

The type of data used in this study is quantitative data in the form of the number of employees and data directly obtained from employees by distributing questionnaires. While the data collection method used is a questionnaire or questionnaire. Questionnaire is a technique of collecting data through forms containing questions posed in writing to someone to get answers or responses and information needed by researchers (Sugiyono, 2019).

The population in this study were employees of CV. Maxmoda Indo Global production division of 30 people. The collection of samples using saturated samples. Saturated sampling is a sampling technique when all members of the population are used as samples, this is often done when the population is relatively small, around 40 people (Sugiyono, 2019). Data analysis is a process of simplifying data into a form that is easier to read and interpret. The data analysis that the author uses

in this research is by using quantitative analysis methods. Data analysis techniques in quantitative research use statistics, researchers use parametric statistics on the grounds that the data used is in the form of an interval scale.

In order to analyze the influence of talent management (X1) and employee engagement (X2) on Employee Performance (Y). There are several requirements in the parametric statistical test where the data obtained must be normally distributed and in the regression the assumption of linearity must be met before proceeding to the next step, namely in hypothesis testing. in the form of numbers can be processed using statistical methods.

Results and Discussion

Results

Table 1. Validity & Reliability Test

	Cronbach Alpha (N=30, df=1)	Indicator (N=30, df=1)	Corrected Item total Correlation (N=30, df=1)
Talent Management	.700	X1.1	.709
		X1.2	.668
		X1.3	.565
		X1.4	.807
		X1.5	.656
Employee Engagement	.632	X2.1	.493
		X2.2	.660
		X2.3	.747
		X2.4	.648
		X2.5	.615
Employee Performance	.730	X3.1	.633
		X3.2	.567
		X3.3	.752
		X3.4	.760
		X3.5	.753

The validity test aims to measure the questionnaire questions that must be discarded or replaced because they are considered irrelevant. Instrument items are considered valid if more r arithmetic $>$ r table The following are the results of the validity test of this study. From the table above explains that each variable indicator has a value of r arithmetic $>$ r table (0.3494), this indicates that the indicators used are feasible used to measure what should be measured and can reveal data from the variables studied appropriately.

Reliability test is able to show the extent to which the instrument can be trusted and expected. The value of an instrument is said to be reliable if the Cronbach's Alpha value is 0.6. The table above explains that the Cronbach's Alpha value for each variable is $>$ 0.6 This indicates that the measuring instrument will provide consistent results if the measuring instrument is used again to examine the same object.

Table 2. Parsial Test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	23,345	4,541		5,141	,000
	Talent Management	-,533	,173	-,491	-3,084	,005
	Employee Engagement	,392	,168	,370	2,328	,028

a. Dependent Variable: Performance

Table 3. Simultan Test

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	49,186	2	24,593	6,628	,005 ^b
	Residual	100,181	27	3,710		
	Total	149,367	29			

a. Dependent Variable: Performance

b. Predictors: (Constant), Employee Engagement , Talent Management

Table 4. Determinant Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,574 ^a	,329	,280	1,926

a. Predictors: (Constant), Employee Engagement , Talent Management

b. Dependent Variable: Performance

Discussion

The Influence of Talent Management on Employee Performance

The Standardized Coefficients Beta value is 0.491 and the sig t value is $0.005 < 0.05$, because $\text{Sig } t = 0.005 < 0.05$ then H1 is accepted. This means that the talent management variable has a positive and significant effect on employee performance. The most important step of talent management is the retention of talented employees in the organization. This is because talented employees are believed to be a major investment in the organization and provide reasons why companies need to keep them in the organization. Kataike (2013) conducted a study that sought to determine the relationship between talent management and employee performance and found a strong positive relationship between talent management and staff performance, therefore the need for good management management in managing employee talent. so that in the future the company can have employees who have the best performance in creating company advantages.

The Effect of Employee Engagement on Employee Performance

The partial test results show the Standardized Coefficients Beta value of 0.370 and the value of sig t of $0.028 < 0.05$, because $\text{Sig } t = 0.028 < 0.05$ then H2 is accepted that employee engagement has a positive and significant effect on employee performance. This means that there is a positive and significant influence between employee engagement on employee performance. Nurul et al. (2014) proves that, there is a significant and positive relationship between employee engagement and employee performance. Employee engagement has a considerable influence on organizational performance, employee productivity, and the ease of recruitment and retention of employees (Darroch, 2005).

Simultaneous testing of Talent Management and Employee Engagement variables on Employee Performance

From table 3 the simultaneous F test is known that the calculated F value $> F$ table, then H3 is accepted. So it can be concluded that Talent Management (X1) and Employee Engagement (X2) together have an effect on employee performance (Y). From these results it can be concluded that efforts to encourage talented employees to have high loyalty by managing HR talents as well as possible to create satisfaction in the minds of employees.

Determinant test

Based on the table above, it shows that the value of the coefficient of determination is shown by the adjusted R square value of 0.329 or 32.9%. This means that variations in Employee Performance can be explained by Talent Management and Employee Engagement by 32.9% while the remaining 67.1% is explained by other factors.

Conclusion

Talent management is a series of processes in improving the capabilities and skills of human resources designed to meet the needs of the organization for the development of human

resource capabilities within an organization to respond to the challenges of the times. In an increasingly competitive business competition, CV. Maxmoda Indo Global must be able to manage Talent management within the company's internal, because talent management is one of the risky things in the arena of competition between companies in developing the company towards a better direction. The company's competitive advantage is reflected in the driving ability of the human resources in it in creating strategies, efficiency and effectiveness of the company's operations. The existence of good talent management management from the company is expected to be able to increase the potential talents in the company to occupy a crucial position in developing the company in a better direction. Meanwhile, suggestions that can be given to CV. Maxmoda Indo Global should be more effective and careful in identifying talented people and giving rewards to them, so that employees will have a sense of loyalty to the company. In addition, the company should improve and eliminate some rules or corporate culture that are deemed less supportive of employees in working with new ones, so that employees are able to work optimally and the company also needs to provide comfort and support to employees in their work so that they are willing to work hard or extra hard. for the sake of the organization. Companies need to give appreciation for their work and place them in appropriate positions. Talent management is considered important for companies, because companies can calculate the right costs for the right people. HR can be mobilized optimally and maximally, of course it will result in fast company growth as well. Employee performance is very important to improve and advance the company's business. Companies need to put employees in the right position so that their performance can be maximized. To help companies place the right people, companies can also use an employee performance appraisal application, which of course results from a comprehensive assessment of the application. It is no less important to understand employee performance in order to increase company productivity.

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