ANALYZING THE IMPACT OF TALENT MANAGEMENT PRACTICES ON EMPLOYEE PERFORMANCE AT PT.EQUITYWORLD FUTURES MANADO

ANALISIS DAMPAK PRAKTEK TALENT MANAGEMENT TERHADAP KINERJA KARYAWAN DI PT EQUITYWORLD FUTURES MANADO

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Abstract: Human Resources is one of the key factors in the success of a company's business. Humans have an important role in all aspects of life because humans are created differently from other creatures, the success of an organization is determined by the talent of human resources whose talents generally refer to the abilities, skills or arts that a person has in a particular field. This study aims to analyze the impact of talent management practices on employee performance at PT. EquityWorld Futures Manado. This study uses a quantitative method with a questionnaire used to collect data, and Multiple Linear Regression as an analysis tool. The sampling technique uses non-probability with 30 permanent employees as samples. The results showed that Talent Attraction, Talent Development, and Talent Retention together or simultaneously had a positive and significant effect on employee performance at PT. EquityWorld Futures Manado. From the results, as a recommendation for companies to implement talent management strategies to separate talented employees and employees with average abilities, so as to improve employee performance. The company should considering having an increase in human resources, with a talent management strategy with three factors: Talent Attraction, Talent Development, Talent Retention to improve employee performance.

Keywords: talent management, talent attraction, talent development, talent retention, employee performance.

Abstrak: *Sumber Daya Manusia adalah salah satu faktor kunci dalam keberhasilan bisnis perusahaan. Manusia memiliki peran penting dalam semua aspek kehidupan karena manusia diciptakan secara berbeda dari makhluk lain, keberhasilan suatu organisasi ditentukan oleh kemampuan sumber daya manusia yang umumnya merujuk pada kemampuan, keterampilan atau seni yang dimiliki seseorang pada bidang khusus. Penelitian ini bertujuan untuk menganalisis dampak praktik manajemen bakat terhadap kinerja karyawan di PT. EquityWorld Futures Manado. Penelitian ini menggunakan metode kuantitatif dengan kuesioner yang digunakan untuk mengumpulkan data, dan Regresi Linier Berganda sebagai alat analisis. Teknik pengambilan sampel menggunakan non-probabilitas dengan 30 karyawan tetap sebagai sampel. Hasil penelitian menunjukkan bahwa Kemampuan daya tarik, Kemampuan mengembangkan, dan Kemampuan mempertahankan secara bersama-sama atau secara simultan berpengaruh positif dan signifikan terhadap kinerja karyawan di PT. EquityWorld Futures Manado. Dari hasil, sebagai rekomendasi bagi perusahaan untuk menerapkan strategi manajemen bakat agar memisahkan karyawan berbakat dan karyawan dengan kemampuan rata-rata, sehingga dapat meningkatkan kinerja karyawan. Perusahaan harus mempertimbangkan untuk meningkatkan sumber daya manusia, dengan strategi manajemen bakat dengan tiga faktor: Kemampuan Daya Tarik, Kemampuan Mengembangkan, dan Kemampuan Mempertahankan untuk meningkatkan kinerja karyawan.*

Kata kunci: *manajemen bakat, kemampuan daya tarik, kemampuan mengembangkan, kemampuan mempertahankan, kinerja karyawan*

INTRODUCTION

Research Background

In the era of global competition, the existence of reliable human resources has a more strategic role than other resources. The existence of human resources is the organization's main strengths and assets to help agencies achieve the organization's vision and mission. Boudreau and Ramstad (2002) Organizational success is determined by talented human resources. And also Human capital is an important asset and needs to be managed professionally because every organization craves human resources who are competent in their field, have loyalty, are dedicated and engaged to the company. Human Resource Management is the process of recruiting, selecting, inducting employees, providing orientation, imparting training and development, appraising the performance of employees, deciding compensation and providing benefits, motivating employees, maintaining proper relations with employees and their trade unions, ensuring employees safety, welfare and healthy measures in compliance with labour laws of the land. Human Resource Process is fundamentally the primary and most essential piece of Human Resource division of any company, this complete process determines the way and procedure how the company will run. So it is very necessary that every company must have strong and effective process.

Each organization works towards the realization of one vision. The same is achieved by formulation of certain strategies and execution of the same, which is done by the HR department. Human Resource Management is the process of recruiting, selecting, inducting employees, providing orientation, imparting training and development, appraising the performance of employees, deciding compensation and providing benefits, motivating employees, maintaining proper relations with employees and their trade unions, ensuring employees safety, welfare and healthy measures in compliance with labour laws of the land. In the concept of talent management there are three dimensions namely recruiting, retention or maintaining, and developing. Heinen and O'neill (2004)

Then, there are also indicators in each of these dimensions. The symptoms in the company are included in the indicators in the dimensions of the talent management concept. The concept of talent management is seen as an individual competency that must be managed. Therefore, talent management is needed as a competitive advantage to improve employee performance. Most companies have implemented talent management concepts to overcome change, competitiveness, and consumer demand.

Research Objective

The research objectives are to identify the significant influence of:
1. Talent Attraction, Talent Development, Talent Retention on employee performance simultaneously.
2. Talent Attraction to employee performance partially.
3. Talent Development to employee performance partially.
4. Talent Retention to employee performance partially.

THEORETICAL REVIEW

Human Resource Management

Marwansyah (2010:3) defines human resource management as the utilization of human resources within the organization, which is carried out through human resource planning functions, recruitment and selection, human resource development, career planning and development, compensation and welfare provision, occupational safety and health, and industrial relations.

Human Capital Theory

Skills, ability and knowledge of employees is elucidated in theory of human capital and issues linked to this important capital include attraction, development and maintaining individual within organization towards creating a skilled personnel through utilizing diverse practices to manage the talent (Buta, 2015).

Employee Performance

Mangkunegara (2005) defines employee performance is the work result in quality and accountability achieved by an employee in carrying out his duties in accordance with the responsibilities given to him. For all organizations to accomplish competitive gain over other competitors is possible through performance of talented employee.

Talent Management

Talent Management as a strategic approach that includes aset of activities such asrecruitment, retention and development of talented people who are able to achieve outstanding performance. Davis et al (2007)

Talent Management and Employee Performance

Shaikh, Tunio, Shah (2017) stated for all organizations to accomplish competitive gain over other competitors is possible through performance of talented employee. Thus, employee performance is the outcome created by action of individual over a specific time to fulfill the desired task or the ability of person to accomplish organizational goals.

Previous Research

Bibi (2016) This study assessed the talent management practices specifically recruitment and selection for talent attraction, coaching and mentoring for learning and development of talent and compensation for retention of talent and its effect over employee performance. A positively significant influence of talent management practices as recruitment and selection, coaching, mentoring and compensation on employee performance reveals in this study. The sample of the study was comprised of 364 employees including paramedical and administrative staff and physicians working in different healthcare organizations in Karachi, Pakistan to determine the performance of employee because of talent management practices.

Safitri and Suherman (2018) This study aims to find out how talent management influences employee performance at UBP Karawang. The analysis and discussion can be concluded that there is a significant effect of talent management on employee performance by 37.8%. This study is quantitative research. The sample for the data are 42 employees.

Rawashdeh (2018) The purpose of this study is to examine the relationship between talent management practices, attractiveness, develop, maintain and performance of banks in Jordanian commercial banks. This study reveals that talent management is very significant for the survivors of the banking sector in very high countries competitive business environment today. Therefore, a total of 101 the questionnaire used in the analysis process, which is considered a research sample, provides a response rate 84% are considered very satisfying.
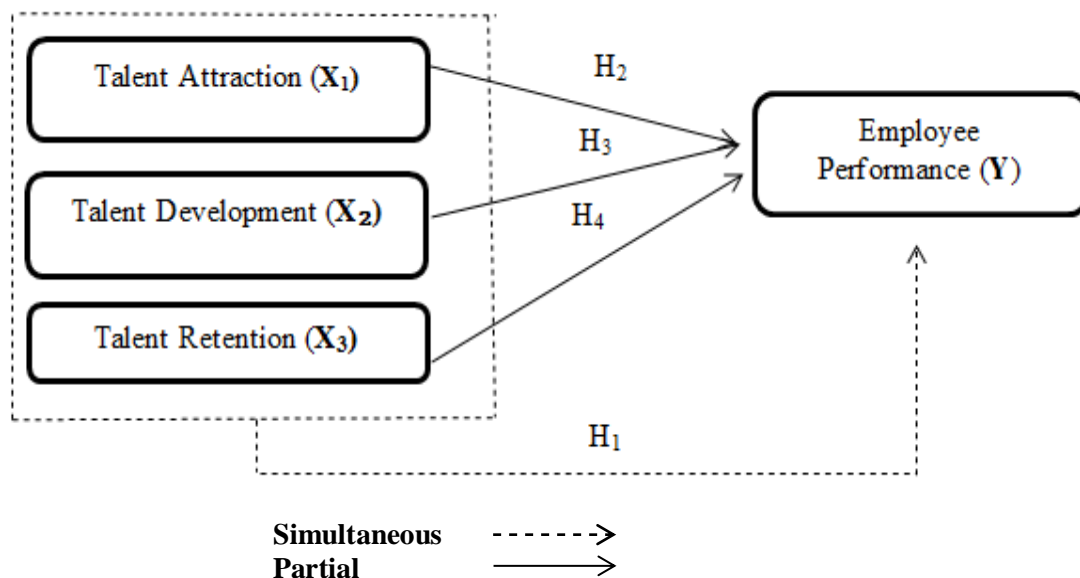
Conceptual Framework

Figure 1. Conceptual Framework
Source: Data Processed, 2019

Research Hypothesis

H$_1$: Talent Attraction, Talent Development, Talent Retention simultaneously influence the employee performance at PT. EquityWorld Futures Manado.

H$_2$: Talent Attraction partially influence the employee performance at PT. EquityWorld Futures Manado

H$_3$: Talent Development partially influence the employee performance at PT. EquityWorld Futures Manado

H$_4$: Talent Retention partially influence the employee performance at PT. EquityWorld Futures Manado.

RESEARCH METHOD

Research Approach

This research is using a quantitative approach. Quantitative research is explaining phenomena by collecting numerical data that are analyzed using mathematically based methods. It will explain the relationship of variables through Causal Analysis in multiple linear regressions between one continuous dependent variable and two or more independent variables. Aliaga and Gunderson (2002)

Population, Sample, and Sampling Technique

The population of this research is the entire permanent employees of PT. EquityWorld Futures Manado. The population total are 30 respondents. The sampling technique in this study uses non-probability techniques with using purposive sampling.

Data Collection Method

This research analyzes the primary data to gather the information. The primary data of this study were taken from the questionnaires. The questionnaires were distributed to respondents so they can respond directly on the questionnaires. Secondary data collected for some purpose other than the problem that gain from books, articles, journals and relevan literature from library and internet.

Operational Definition of Research Variables

Table 1. Variable Definition

Variable	Definition	Indicators
Talent Attraction (X1)	Talent attraction can be considered as a process of inviting individuals to apply for vacancy. The potential individual from that pool which will ultimately steer organization towards success.	- Recruitmen and Selection - Employer choice - Employer branding - Employee value proposition
Talent Development (X2)	Training and development, mentoring, coaching and succession planning are all tools for creating a learning organization. These tools are considered to be talent management practices that may lead to positive firm performance.	- Training and Development - Mentoring - Coaching - Succession planning
Talent Retention (X3)	Employee retention is considered as one of the primary tasks that poses a significant challenge to many organizations	- Compensation - Reward Performance - Job security - Employee satisfaction
Employee Performance (Y)	Employee performance is the outcome created by action of individual over a specific time to fulfill the desired task or the ability of person to accomplish organizational goals.	- Work quality - Commitment - Effectiveness - Quantity

Source: Data processed and Journals, 2019

Validity and Reliability

Test validity or validity or degree of accuracy measures the extent to which the accuracy and accuracy of the measuring instrument in performing its measuring function Yamin and Kurniawan (2009). Valid indicators are indicators that have a small level of measurement error. The instrument is said to be valid means that the instrument can be used to measure what should be measured, or be able to measure what you want to find precisely Sugiyono (2012).

Multiple Linear Regression

According to Rangkuti (2006:66-67) Multiple Regression Analysis a general statistical method used to examine the relationship between a dependent variable and several independent variables. The formula for the multiple linear regression analysis as follows:

$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$

Description:
Y   = Dependent Variable (Employee Performance)
X1   = Talent Attraction
X2   = Talent Development
X3   = Talent Retention
β_1, β_2 = the regression coefficient of each variable
ε = Error

RESULT AND DISCUSSION

Result
Validity and Reliability

Talent Attraction (X1), Talent Devolement (X2), Talent Retention (X3), and Employee Performance (Y) have values higher than the r_{table} value of 0.361. So it can be said that all question items about all variable are valid and can be used for further tests. The variable is reliable because the value of Cronbach's Alpha is bigger than 0,7.

Result of Multiple Linear Regression Analysis
Table 2. Multiple Linear Regression Result

Coefficients[a]					
	Unstandardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta	t	Sig.
1 (Constant)	-2.993	2.893		-1.034	.310
Talent Attraction	.610	.118	.592	5.175	.000
Talent Development	.341	.123	.331	2.777	.010
Talent Retention	.217	.096	.267	2.261	.032
a. Dependent Variable: Employee Resistance					

Source: Data Processed, 2019

Multiple regression analysis is used to determine the effect of the independent variables on dependent variable. The multiple linear regression equation can be interpreted as follows:

$Y = -2,993 + 0,610 X_1 + 0,341 X_2 + 0,217 X_3 + e$

The formed regression equation is:
1. A constant of -2,993 which means that if the variable Talent Attraction, Talent Development and Talent Rentention are considered zero then the Employee Performance variable is only -2,993.
2. The regression coefficient of the Talent Attraction variable obtained a value of 0.610 which means that if the Talent Attraction variable has an increase while the Talent Development and Talent Rentention variables are assumed to be constant then the Employee Performance will also increase by 0.610.
3. The regression coefficient of the Talent Development variable is obtained a value of 0.341 which means that if the Talent Development variable increases while the Talent Attraction and Talent Rentention variables are assumed to be permanent then the Employee Performance will also increase by 0.341.

4. The regression coefficient of the Talent Rentention variable obtained a value of 0.217 which means that if the Talent Rentention variable increases while the Talent Attraction and Talent Development variables are assumed to be constant then Employee Performance will also decrease by 0.217.

Testing the Goodness of fit: Coefficient of Multiple Correlation (R) and Coefficient of Determination (R^2)
Table 3. Result of R and R^2

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.817[a]	.668	.629	1.06637

a. Predictors: (Constant), Talent Attraction, Talent Development, Talent Retention
b. Dependent Variable: Employee Performance
Source: Data Processed, 2019

The Adjusted R Square value is 0.629 or 62.9%. This means that the independent variables such as Talent Attraction, Talent Development and Talent Rentention together affect the dependent variable Employee Performance of employees at PT Equity World Futures Manado by 62.9% while the remaining 37.1% is influenced by other variables not included in the this research.

Multicollinearity
Table 4. Multicollinearity Statistics

Model	Collinearity Statistics		Status
	Tolerance	VIF	
Talent Attraction	0.976	1,025	No Multicollinearity
Talent Development	0.898	1,114	No Multicollinearity
Talent Retention	0,913	1,095	No Multicollinearity

Source: Data Processed, 2019

Table 4 shows that Multicollinearity test using Variance Inflation Factor (VIF). The tolerance of two independents variable that are Talent Attraction (X1) is 0.976, Talent Development (X2) is 0.898 and Talent Retention (X3) is 0.913 and the value of Variance Inflation Factor (VIF) of Talent Development (X1) is 1,025, Talent Development (X2) is 1,114 and Talent Retention (X3) is 0,913. If the value of VIF is below 10, so it means that there is no symptoms of multicollinearity between independent variable in the regression model.
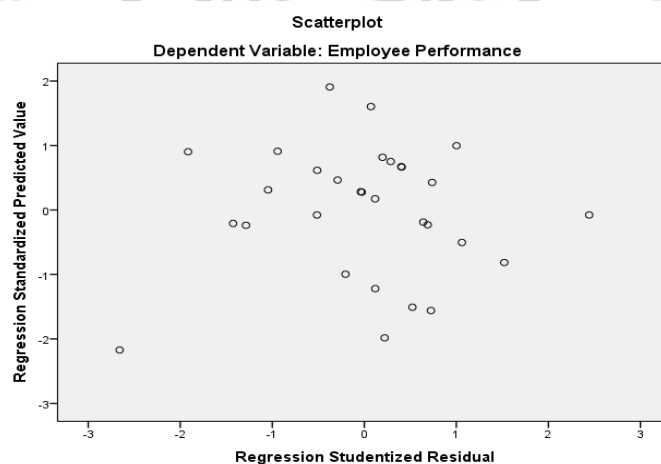
Heteroscedasticity

Figure 2. Heteroscedasticity Test
Source: Data Processed, 2019

Figure 2 shows that the scatterplot graph points spread randomly do not form a specific pattern that is clear and spread both above and below the zero on the Y axis. This means there is no heteroscedasticity in the

regression model, so the regression model is feasible to be used to predict Employee Performance is based on the input of its independent variable.
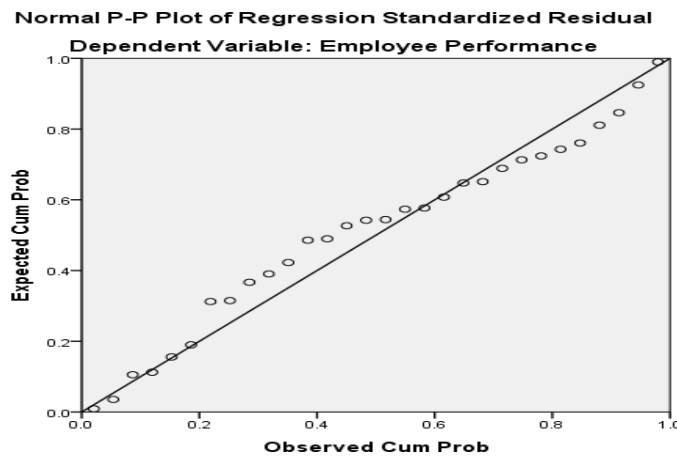
Normality

Figure 3. Normality Test
Source: Data Processed, 2019

Figure 3 shows that the dots are spreading near to the diagonal line and follow the direction of the diagonal line. Therefore, the normality test is accepted which means the data of this research is normally distributed.

Hypothesis Testing
f-test
Table 5. Simultaneous Test (f-test Output)

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	59.401	3	19.800	17.412	.000^b
	Residual	29.566	26	1.137		
	Total	88.967	29			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Talent Attraction, Talent Development, Talent Retention

Source: Data Processed, 2019

Table 5 Shows the result of F-test in ANOVA that value $F_{count} = 17,412 >$ dari $F_{table} = 2,98$. This means that the independent variables consisting of Talent Attraction, Talent Development and Talent Rentention have a significant effect on employee Performance of employees at PT Equity World Futures Manado.\

t-test
Table 6. Partial Test (t-test Output)

Variable	t_{count}	t_{table}	Description
Talent Attraction (X1)	5.175	0000	Accepted
Talent Development (X2)	2.777	0,010	Accepted
Talent Retention (X3)	2.261	0,012	Accepted

Source: Data Processed, 2019

The interpretations are:
1. Talent Attraction has a significant effect on Employee Performance of employees at PT Equity World Futures Manado t_{count} (5,175) $> t_{table}$ and the significance value is 0,000 less than 0.05.

2. Partially Talent Development has a significant effect on the Employee Performance of employees at PT Equity World Futures Manado t$_{count}$ (2,777) and the significance value is 0,010 less than 0,05.
3. Partially Talent Retention has a significant effect on the Employee Performance of employees at PT EquityWorld Futures Manado because t$_{count}$ (2,261) > t$_{table}$ (2,056) and the significance value is 0,012 less than 0,05.

Discussion

Talent management can produce quality workers and produce work with high quality performance, so that it can be seen that there is a significant relationship between talent management and employee performance. In addition, talent management can be a comprehensive strategic approach to identifying, evaluating, developing and allocating talented human resources to help the activities of achieving the best performance and organization. Noting the above explanation, broadly the management of human resources referred to by talent management can beginfrom the recruitment process, employee placement, performance appraisal, training and development career, until the employee leaves the company. The results that companies can get by using a talent management strategy is to fill top management positions with quality people, so the company does not need to doubt the performance of employees who will be appointed as part of the company's top positions. The importance of talent management strategies on employee performance, so the company must now apply the talent management strategy to maintain the existing potential of employees.

Osaro (2016) This study investigates the relationship between talent management and employee retention of oil firms in Rivers State.The objective of the study was to investigate the influence of talent management and employee retention of oil firms in Rivers State. Talent attraction significantly and positively predicts career growth of oil firms in Rivers State. Talent attraction significantly and positively predicts fair pay of oil firms in Rivers State. Talent attraction significantly and positively predicts supportive management of oil firms in Rivers State

Latukha (2018) he study investigates talent development as a part of human resource management using the emerging market context and its influence on a company's performance in Russian companies. Attention is paid to the analysis of Talent Development programs that are used to develop talent in Russia and the factors that influence the creation and implementation of Talent Development in Russian firms.

Tamanna, Rajan and Radhesham (2018) The study has shown that higher the talent retention practices, better is the employee performance. This means that talent retention practices help in matching the need of organizations and the Talent. It helps in placing the suitable candidate on a job which further helps in improving the performance of the employees because of the internal satisfaction.

CONCLUSION AND RECOMMENDATION

Conclusion

After examining the findings and discussing the result, the conclusions based on this research can be formulated as follows:
1. Talent Attraction, Talent Development, and Talent Retention together or simultaneously have a significant effect on employee performance at PT. EquityWorld Futures Manado.
2. Talent Attraction has a positive and significant effect on employee performance at PT. EquityWorld Futures Manado.
3. Talent Development has a positive and significant effect on employee performance at PT. EquityWorld Futures Manado.
4. Talent Retention has a positive and significant effect on employee performance at PT. EquityWorld Futures Manado.

Recommendation

The importance of talent management strategies on employee performance, talent management can be a comprehensive strategic approach to identifying, evaluating, developing and allocating talented human resources to help the activities of achieving the best performance and organization. so the company must now apply the talent management strategy to maintain the existing potential of employees. PT. EquityWorld Futures Manado provides more employee development programs which is Talent Attraction, Talent Development, Talent Retention strategy to enrich employee knowledge and abilities. PT. EquityWorld Futures Manado needs to pay

attention to the findings of this study. Talent Management must be considered and become the main strategy for management in an effort to improve overall employee performance in the company.The results of this study can be used to develop the science of human resource management, especially towards developing a Talent Management strategy. There needs to be replication research from this research to be applied to other research sites or objects.

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