

Effect of Talent Management and Knowledge Management on Employee Performance with Employee Engagement as an Intervening Variable at PT Bank Mandiri, Jalan Bandung Branch

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ABSTRACT

The purpose of this study is to analyze effect of talent management and knowledge management on employee performance with employee engagement as an intervening variable at PT Bank Mandiri, Jalan Bandung Branch. This type of research is associative research with a quantitative analysis approach. The population in this study were all employees of PT Bank Mandiri, Jalan Bandung Branch as many as 42 employees. The sampling method used is census sampling. So each member of the population is a sample of 42 employees. The analytical method used in this research is path analysis. The results of the study found that talent management has a positive and significant effect on employee performance. Knowledge management has a positive and significant effect on employee performance. Employee engagement has a positive and significant effect on employee performance. Talent management has a positive and significant effect on employee performance through employee engagement. Knowledge management has a positive and significant effect on employee performance through employee engagement.

Keywords: Talent Management, Knowledge Management, Employee Performance, Employee Engagement

INTRODUCTION

Human resource management has developed far more than before, where currently management carries out more strategic

functions than administrative functions. One of the strategic functions of human resources in the organization 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. Organizational performance depends on individual performance or in other words individual performance will provide power over organizational performance (Ramadhan and Sembiring, 2018).

Employee performance is a dimension to measure organizational success where the organization must be able to create high employee performance to be able to maintain survival and achieve sustainable competitive advantage. The success of the organization in growing employee engagement will have an impact on the performance produced by employees. Dessler (2019:87) defines employee performance as the actual achievement of the employee compared to the expected performance of the employee.

The environment and business in general are characterized by continuous change. The three main strengths of the change are:

1.Changes in the macro environment, such as globalization, information technology,

knowledge-based competition, political, economic, and social uncertainty.

2. A new form of organization, which has shifted the traditional hierarchical structure towards a leaner and flatter organization.

3. Demographic changes, which require organizations to learn how to handle workers across generations, Dessler (2019), these three forces have influenced talent in recent decades.

The performance of employees of PT Bank Mandiri, Jalan Bandung Branch is still low, as evidenced by the achievement of key performance indicators that are still not on target. Where the average score is only 5.4%. Even though PT. Bank Mandiri (Persero) Tbk implements appropriate target standards for its employees with the aim of increasing performance expectations every year. However, the phenomenon that occurs is that expectations do not match the reality on the ground. Where employees are only able to increase accuracy and compliance by around 60%, increase sales by 50%, increase team work and employee activities by 60%, increase customer satisfaction and trust by 50%, and improve branch performance by 50%.

One of the determinants of high and low employee performance is determined by the employee engagement factor. Nidan (2018) in his research also suggests that the driver of employee engagement affects employee motivation and performance. Employee engagement plays an important role in achieving organizational goals, building effective teams, healthy interpersonal relationships between co-workers and managers and a good working environment in the organization and can improve employee performance. Allameh et al. (2018) shows the positive impact of engagement on employee performance. This study shows that when employees feel enthusiastic and satisfied with the work they are doing, it can be ascertained that employees already have good involvement and motivate employees to improve their performance. This is different from Preko and Adjetey (2019) in which research shows

that there is no significant linear correlation between employee loyalty and employee engagement with employee performance. The following are the results of a pre-survey regarding employee engagement at PT Bank Mandiri, Jalan Bandung Branch.

One of the company's efforts to retain employees in the organization is by implementing talent management and knowledge management. The company currently expects to have human resources in the superior group, so that from the company comes the need to maintain the talent possessed by employees in the talent management strategy. One of the efforts to acquire, develop and retain talented employees is through talent management. According to Pella and Inayati (2019:81) talent management is a process to ensure the company's ability to fill key positions for the company's future leaders and positions that support the company's core competencies. 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 assessing employees, learning and development, performance management, and compensation to attract, retain, develop and motivate employees. Tusang and Tajuddin (2018) suggests that there is a significant positive impact on talent management on employee engagement. These findings are generated through research that explores the understanding of talent management practices as a strategy to influence employee engagement which significantly affects performance within the organization.

Research conducted by Bhatnagar (2017) states that when the workload given by the company to employees is low, employee engagement in it is also low and vice versa if the workload is high, it shows that this research is aimed at the career planning process along with incentives and organizational support for employees to obtain high employee engagement. Alias et al. (2018) states differently that talent management practices (managerial support,

employee career development, rewards and recognition) have a positive but not significant correlation with employee engagement.

According to Lewis and Heckman (2019) in a broader scope, talent management is the way a company manages its resources starting from the recruitment process, employee placement, job appraisal, training and career development, until employees leave the company so that in the end the company's goals can be achieved. One of the goals to be achieved is to improve employee performance. Mangusho et al. (2019) states that through talent management practices such as job rotation, organizations are able to improve employee competencies which affect the achievement of high employee performance. This study also determined that talent management can directly affect employee performance if with planned employee career growth planning and organizational progress.

Another human resource management strategy in improving employee performance and employee engagement can also be obtained with knowledge management is to manage employee knowledge in the organization as efficiently and effectively as possible. Every organization needs to realize that the knowledge held within the company must be utilized efficiently and effectively. The quality of employees can be determined and assessed from the knowledge they have. Knowledge understanding must be owned by every employee because knowledge is very unlimited and will continue to grow. The process of increasing employee knowledge can be done through education and training.

The purpose of this study is to analyze effect of talent management and knowledge management on employee performance with employee engagement as an intervening variable at PT Bank Mandiri, Jalan Bandung Branch.

RESEARCH METHODS

This type of research is associative research with a quantitative analysis approach. Quantitative analysis approach is a systematic scientific study of the parts and phenomena and the causality of their relationships (Sugiyono, 2018). The nature of this research can be known based on the relationship between the variables used in the study.

The population is a generalization area consisting of objects or subjects that have certain qualities and characteristics determined by researchers to be studied and then drawn conclusions (Sugiyono, 2018). The population in this study were all employees of PT Bank Mandiri, Jalan Bandung Branch as many as 42 employees. The sample is part of the number and characteristics possessed by the population (Sugiyono, 2018). The sampling method used is census sampling. Sampling is a census because the entire population is sampled if the population is below 100. So each member of the population is a sample of 42 employees.

The type of data used is primary data using a questionnaire and secondary data collection with a documentation study.

The analytical method used in this research is path analysis. Path analysis describes the pattern of relationships between variables in this study to test and find out how much effect of talent management and knowledge management on employee performance with employee engagement as an intervening variable.

RESULT

A General Description of the Company

Bank Mandiri is a State-Owned Enterprise that was established as part of the banking restructuring program implemented by the Indonesian government. In July 1999, four state-owned banks were merged into Bank Mandiri, each of which has an integral role in the development of the Indonesian economy. In 2017 Bank Mandiri was in a transformation phase where in this phase

Bank Mandiri wanted to solidify its vision to become "Indonesia's best, ASEAN's prominent". In order to realize the company's vision, Bank Mandiri always strives to create real work in all aspects of its business. Various strategic steps, continuous innovation and improvement in the quality of human resources were also continuously developed throughout 2016 which was supported by the implementation of good corporate governance principles, to strengthen the business foundation of Bank Mandiri in the future.

In 2018, Bank Mandiri implemented a new culture, and the implementation of this new culture has succeeded in making Bank Mandiri ranked 11th out of the world's 500 best companies in terms of the work environment or "The World Best Employers 2018" according to Forbes Magazine. Bank Mandiri believes that the quality of reliable and competent human capital is the key to success in winning competition in the increasingly fierce financial industry. Therefore, proper management is needed to produce quality human capital.

The existence of a new culture has a positive impact on the performance of Bank Mandiri employees in 2019. The internalization of culture has been running effectively so as to encourage employees to have a leadership spirit with the best

competencies and a learning mindset, work smart, agile, adaptive, and actively seek and take advantage of opportunities. to maximize business potential. In addition to strengthening the human capital already owned by Bank Mandiri, it also focuses on meeting human capital needs. The strategy for fulfilling human capital is directed at meeting business needs in a timely manner with human capital with superior capabilities. Employee engagement has been one of the focuses of human capital management at Bank Mandiri for the past few years. Bank Mandiri always pays attention to the welfare of all its employees so that they can synergize with each other to create optimal work productivity.

In implementing career development programs, Bank Mandiri is always based on the principle of fair opportunity, namely the existence of equal opportunities for every employee to grow and develop while taking into account the factors of Bank Mandiri's needs, job family of the intended position, ability, level of performance, value rating, group talent, job availability, and other requirements. Optimal human capital management has succeeded in bringing Bank Mandiri to become a bank with reliable talent so that it becomes a major player in the banking industry and outside of banking.

Path Analysis Results

Table 1. Substructure I Regression Model Result Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
I	(Constant)	9.854	2.968		3.320	.002
	Talent Management	1.087	.169	1.136	6.431	.000
	Knowledge Management	.492	.214	1.406	3.295	.027

a. Dependent Variable: Employee Engagement
Source: Primary Data Processed (2022)

Table 2. Substructure II Regression Model Results Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
I	(Constant)	1.925	2.276		.846	.403
	Talent Management	.199	.164	.245	2.212	.033
	Knowledge Management	.351	.155	.340	2.270	.029
	Employee Engagement	.346	.108	.407	3.194	.003

a. Dependent Variable: Employee Performance
Source: Primary Data Processed (2022)

Table 3. Recapitulation of Regression Analysis Results

Hypothesis	Variable Effect	Direct Effect	Indirect Effect	Total Effect	Information
1	Talent Management → Employee Engagement	1.136	-	-	Received
2	Knowledge Management → Employee Engagement	1.406	-	-	Received
3	Talent Management → Employee Performance	0.245	-	-	Received
4	Knowledge Management → Employee Performance	0.340	-	-	Received
5	Employee Engagement → Employee Performance	0.407	-	-	Received
6	Talent Management → Employee Engagement → Employee Performance	-	0.462	0.707	Received
7	Knowledge Management → Employee Engagement → Employee Performance	-	0.572	0.912	Received

Source: Primary Data Processed (2022)

The results of the study found that talent management has a positive and significant effect on employee performance. Knowledge management has a positive and significant effect on employee performance. Employee engagement has a positive and significant effect on employee performance. Talent management has a positive and significant effect on employee performance through employee engagement. Knowledge management has a positive and significant effect on employee performance through employee engagement.

CONCLUSION AND SUGGESTION

The results of the study found that talent management has a positive and significant effect on employee performance. Knowledge management has a positive and significant effect on employee performance. Employee engagement has a positive and significant effect on employee performance. Talent management has a positive and significant effect on employee performance through employee engagement. Knowledge management has a positive and significant effect on employee performance through employee engagement.

Based on the results of the analysis, the following suggestions can be given:

1. Giving rewards in the form of annual bonuses that are paid every February to match performance requires supervision of the use of a strict lead management system so that employees can input work results and attach evidence of achievement so that annual bonus receipts are in accordance with work results and achievements. So that

all internal employees of Bank Mandiri get the same opportunity, all employees should be prioritized to take the exam or selection of key positions if the quota is still available then the rest may be filled in from the selection of the Indonesian human capital forum, because outside sources should be made the second choice after internal sources and after making sure that there are no more adequate candidates in accordance with the requirements submitted, a structured and scheduled rotation is needed, with good rotation being implemented, the position will not be occupied by someone for a long time, the personnel department should also monitor the return of new employees in rotation.

2. In terms of optimizing access to standard operating procedures, the company can provide one information system where all employees have the right to access it and there are all applicable standard operating procedures. For the phenomenon of knowledge that has not been able to provide a decision, the company can monitor and audit the work results through pretest and posttest.

3. One approach that can be taken to increase employee engagement is the work life balance approach, which is a way of working without neglecting all aspects of work life, personal, family, spiritual, and social. This can also help employees to focus more on work, feel proud and challenged with their current work, and encourage employees to submit ideas that are beneficial to the company.

4. For further research, it is advisable to expand the research so that more complete information will be obtained about any factors that can affect employee performance at PT Bank Mandiri, Jalan Bandung Branch, so that an action can be taken that can correct the factors that cause the low performance and can take appropriate steps to overcome the cause of the better performance of PT Bank Mandiri, Jalan Bandung Branch.

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