The Determinants of Individual Performance in Talent Management and Employee Management through Job Satisfaction

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ABSTRACT

Talent management and employee management is one of the crucial factor in the company since they are determine the success and company balance in the future. In addition, the employee who have high motivation in doing his work is increasing his job satisfaction in the company itself. The objective of this research is to determine the influence of talent management and employee engagement on job satisfaction and individual performance, both partially and simultaneously. The population consists of employees working in mineral and coal industry at PT ABC, and the survey was conducted the LinkedIn platform. The data collection was using non-probability sampling methods, specifically convenience sampling through the questionnaire. The data analysis was using multiple linear regression analysis and path analysis. The results of this research indicate that talent management and employee engagement, both partially and simultaneously, have a significant influence on job satisfaction. Furthermore, talent management and employee engagement, both partially and simultaneously, affect individual performance among employees in the mineral and coal industry.

Keywords: Talent Management, Employee Engagement, Job Satisfaction, Individual Performance
INTRODUCTION

Anitha (2014) explained that performance is the achievement conducted in the workplace or the plan implementation for achieving the results. Shaikh et al., (2017) also stated that performance is the results created by individual actions during a certain time to achieve organizational goals. While Koopmans (2014) defines performance is individual work performance as the behavior or employee’s action. He also stated that individual performance consists of individual behavior that does not include the limited behavior by the environment. In this research, researchers will focus on three factors that have a significant influence on the individual performance of employees who working in minerals and coal industry, including talent management, employee engagement, and job satisfaction.

Talent management has become an increasingly important of organizational factor as an efforts to improve the employee performance. Wickramaaratchi & Perera (2020) mentioned that the big goals of the organization will be achieved when the organization is willing to invest in talent management practices. Mugayar-Baldocchi (2021) also states that in an uncertain future, investing in talent management is the key to implementing strategic priorities and giving the opportunity for the organizations to grow by focusing on developing, recruiting, and empowering employees. Wamwangi (2018) in his research indicates that talent management is a significant positive predictor of employee performance. When organizations focus on retaining and investing in top-performing employees, it will pay off with long-term benefits that will be obtained by the organization itself.

In addition, talent management can be an influence on improving employee performance in the organization. It can be used as one of the factors that can increase the job satisfaction of an employee in the organization. Goestjahjanti (2020) in their research stated that talent management encourages in increasing job satisfaction and employee retention. Almomani (2022) also found that talent management practices have a positive and significant effect on job satisfaction. When there is a significant effect of talent management practices on job satisfaction, organizations can become more effective by focusing on three types of talent management activities, including talent attraction which focuses on talent planning, recruitment, and talent distribution; talent development which focuses on education and training of employees to develop their abilities, skills, and knowledge; and talent retention which focuses on retaining talented employees and reducing employee turnover.

Moreover, employee engagement is also an important factor in individual performance. Obuobisa-Darko (2020) in his research concluded that employee engagement has a positive and significant impact on employee task performance. In addition, Kalia (2017) states that highly engaged employees show high levels of energy, enthusiasm in doing their work, and their contribution affecting the success of the organization itself.
Ali (2019) stated that employee engagement has a significant influence on employee performance. The findings successfully determine the mediating mechanism of employee engagement in the relationship between internal company engagement factors and employee performance. Moreover, Koech & Cheboi (2017) also indicates that there is a positive and significant relationship between employee engagement and employee performance. This finding shows that the crucial factor to improve employee performance is to focus in the development of employee engagement since engaged employees will have a positive attitude, energetic, dedicated, resilient, and conduct their work better. Besides, employee engagement can become a factor that increase the job satisfaction of an employee in the organization. In addition, Reissová & Papay (2021) state that there is a positive influence between employee engagement and job satisfaction. Furthermore, Noercahyo (2021) also indicates that there is a positive and significant influence between employee engagement on job satisfaction.

In addition to these factors, Job Satisfaction also has an important role in influencing the individual performance. Riyanto (2021) suggested that job satisfaction has a significant influence on employee performance. In addition, Badrianto & Ekhsan (2020) in his research found that there is a positive and significant influence between job satisfaction on employee performance. This finding examines the effect of job satisfaction variables with several indicators including enjoys the work, loves the work, work morale, and the discipline on employee performance with indicators such as job quantity, work quality, independence, initiative, adaptability, and cooperation. Based on this phenomenon, understanding the relationship between talent management and employee engagement on individual performance with job satisfaction as mediation can provide valuable insight for company management in improving the employee performance.

Previous research has provided the findings of the relationship between talent management (Kravariti et al., 2023; Sopiah et al., 2020; Wamwangi & Kagiri, 2018) and employee engagement (Abadi et al., 2020; Fidyah & Setiawati, 2019; Obuobisa-Darko, 2020) on individual performance. In addition, talent management (Al-Dalahmeh et al., 2022; Almomani et al., 2022; Goestjahjanti et al., 2020) and employee engagement (Noercahyo et al., 2021; Reissová & Papay, 2021; Sulistiono et al., 2020) on job satisfaction. Furthermore, the research regarding the job satisfaction on individual performance was conducted by (Badrianto & Ekhsan, 2020; Latifah et al., 2023; Riyanto et al., 2021).

In this research, researcher are interested in examining the influence of talent management and employee engagement in improving individual employee performance, along with the job satisfaction as the mediator between dependent and independent variables. This research was conducted on employees who work in mineral and coal industry at PT ABC who are active on LinkedIn platform. Furthermore, this research aims to analyze the effect of talent management and
employee engagement on individual performance, analyze the effect of talent management and employee engagement on job satisfaction, examine the effect of job satisfaction on individual performance, determine the significant direct impact of talent management on individual performance and determine whether the direct impact of employee engagement on performance has a bigger impact than the indirect impact of engagement on performance through work satisfaction.

LITERATURE REVIEW

Human Capital Strategies

The concept of human capital is a critical component of organizational success. This concept emphasizes the importance of individual knowledge, skills and abilities as valuable assets to the organization. Then, the companies should focus on attracting, retaining and developing employees who can provide valuable human resources. Moreover, organizations should create an environment that encourages employees to be innovative and proactive, thus harnessing the power of human capital for long-term survival and success.

For companies, investing in employee training and development is a way to attract and retain human resources along with increasing the profits. The returns are expected to materialize in improved performance, productivity, flexibility and innovation resulting from expediting the skill and the enhancement of knowledge and competencies. In addition, having qualified human resources will boost a person’s sense of loyalty to the company, which will have an effect on the level of organizational commitment (Thamrin, 2020). Moreover, human capital theory provides an organizational framework to recognize the value of their people and invest in them as the assets to generate valuable returns.

Individual Performance

Koopmans (2014) defines work performance as: (1) work performance should be defined in terms of behaviors rather than outcomes, (2) work performance includes only behaviors relevant to organizational goals, and (3) work performance is multidimensional. In addition, individual performance also referred to as measurable actions, behaviors, and results performed or produced by employees that are related to and contribute to organizational goals. In addition, rewards, training, motivation, and leadership style were considered as determinant factors that can contribute to the employees' performance of the company (Nagarajah et al., 2021). Meanwhile, another factors which affect the employee’s performance in an organization are effort expended including motivation, work ethic, attendance, and work design; individual ability including talents, interest and personality characteristic; and organizational support including training and development, standard equipment and technology, and management along with co-workers’ performance.
Talent Management

According to Cappelli & Keller (2014) talent management is defined as a set of practices designed by organizations to attract, develop, retain talent, and career management to achieve future demands for getting the right individual in the right job. Dessler (2013) identifies talent as a planning process as a goal-oriented process of planning, recruiting, developing, managing, and compensating employees and its integrated processes. Moreover, talent management is an integrated process that includes several specific procedures that significantly contribute to the success of the organization. These procedures include workforce planning, acquiring talented employees, developing and training these talented employees, and maintaining them as assets of the organization (Al-Dalahmeh, 2020).

Employee Engagement

Work Engagement is a condition of high energy, high motivation, high degrees of dedication, and intense concentration on one's task (Bakker & Albrecht, 2018). In addition, employee engagement is characterized as a happy, contented mental state and a perspective on his work (Mauliddya, 2021). Moreover, according to Gadang (2022) employee engagement refers to an employee's emotional and cognitive (logic) drive, capacity to do their job duties, comprehension of the company's vision and their specialized tasks, and confidence in their ability to finish the task at hand. Employees who are engaged in their work will have the energy and concentration on their work. This allows employees to mobilize all their potential when doing a job. This energy and focus will improve the quality of their primary work responsibilities (Ariani & Rostiana, 2020).

Job Satisfaction

Job satisfaction is a cognitive, affective, and evaluative attitude. It also referred to as a pleasant or positive emotional state resulting from an appraisal of job experiences. In addition, job satisfaction is the result of employees' perceptions of how well their jobs provide the important perspective for them. The characteristics that indicate that the employees have high job satisfaction in a company, including job satisfaction is an emotional response to work situation that the employee engagement cannot be examined directly, job satisfaction is often determined by how well the work result meet or exceed the company's expectations, and job satisfaction represents several related attitudes that consists of five dimensions, including the work itself, pay, promotion, supervision, and coworkers.

RESEARCH METHODOLOGY

This research is quantitative research that use surveys and questionnaires as data collection for finding correlation information between variables, along with statistical method in testing the research model. According to Ahyar et al., (2020)
in quantitative research, research tends to be more systematic, planned, structured from introduction to conclusion, and not influenced by any circumstances. In this research, the population targeted as respondents are mineral and coal industry employees who work at PT ABC. Moreover, researcher also distributed questionnaires to employees who work in mineral and coal industry who have LinkedIn accounts. Based on this, the number of respondents in this research was 270 people.

In this research, the data collected is respondent’s perception. Therefore, the simplest measurement is to use a questionnaire that will be distributed to each respondent as an instrument or measurement tool that will be delivered directly. The questionnaire will be made using closed questions that provide alternative answers, then the respondent required to choose one answer that is considered most appropriate based on their condition. The questionnaire was distributed to university alumni in Yogyakarta who work in mining industry and have a LinkedIn account.

The measuring scale used in this research is Likert that used to measure the attitudes, opinions, and perceptions of a person or group about social phenomena with 5 levels of interval (Sugiyono, 2019). With this Likert scale, the variables are classified based on variable indicators, then the indicators are used as a starting point for compiling instrument items in the form of statements or questions. After the questionnaire is compiled, a validity test and reliability test are conducted on each question item in the questionnaire before it is distributed.

RESULT AND DISCUSSION

The Effect of Talent Management on Job Satisfaction

Based on the test results, the t value is 13.764 with a significance level of 0.000. In this case, the significance level is 0.000 < 0.05 which can be concluded that there is a significant effect of talent management on job satisfaction. This finding is in line with previous research conducted by Goestjahjanti et al., (2020) which states that there is a significant influence between talent management on job satisfaction. This research shows that talent management practices involving work motivation, training and development, and job quality improvement strategies have a positive impact on employee satisfaction. This practice involves the desire and commitment of individuals to exceed the predetermined standards by showing excellent results, improving the skills, knowledge and experience of talented individuals, and improving job quality.

The Influence of Employee Engagement on Job Satisfaction

Based on the test results that have been conducted, the t value is 4.689 with a significance level of 0.000. In this case, the significance level is 0.000 < 0.05 which can be concluded that there is a significant effect of employee engagement on job satisfaction. This finding is in line with previous research conducted by Reissové
& Papay (2021) which states that employee engagement has a positive and significant effect on job satisfaction through affective commitment. This research states that it is important to solve the employee engagement issues for achieving high productivity, as well as efforts to prevent unwanted employee turnover.

The Effect of Talent Management and Employee Engagement on Job Satisfaction

Based on the test results, the value of F count is 351.074 with a significance level of 0.000. In this case, the significance level is 0.000 < 0.05 which indicates that there is a significant effect of talent management and employee engagement on job satisfaction simultaneously. The finding of this research contribute to other research that have not been examined the effect of integrating employee engagement and talent management variables on work satisfaction.

Talent management and employee engagement variables have a synergistic relationship in influencing job satisfaction for the significant results. This proves that the combination of talent management and employee engagement will increase the job satisfaction for employees at PT ABC, as well as employees who work in mineral and coal industry through LinkedIn platform.

The Influence of Talent Management on Individual Performance

Based on the test results, the t value is 6.194 with a significance level of 0.000. In this case, the significance level is 0.000 < 0.05 that there is a significant effect of talent management on individual performance. This finding is in line with previous research conducted by Wamwangi & Kagiri (2018) which states that talent management affects the employee performance. This research also states that the organizations will gain long-term benefit when it focus on retaining and investing in best performing employees.

The Effect of Employee Engagement on Individual Performance

Based on the test results, the t value is 2.340 with a significance level of 0.020. In this case, the significance level is 0.020 < 0.05 which indicates that there is a significant effect of employee engagement on individual performance. This finding is in line with previous research conducted by Obuobisa-Darko (2020) that employee engagement has a positive and significant impact on employee task performance. In addition, the research conducted by Sungmala & Verawat (2021) states that there is a positive and significant relationship between employee engagement and employee performance. This finding indicates that the method to improve employee performance is to increase employee engagement which highly effective on achieving organizational goals.
The Influence of Talent Management and Employee Engagement on Individual Performance

Based on the test results, the value of F count is 170.763 with a significance level of 0.000. In this case, the significance level is $0.000 < 0.05$ which indicates that there is a significant effect of talent management and employee engagement on individual performance simultaneously. The results of this research contribute to other research with combined effects of talent management and employee engagement characteristics on individual performance that have not been extensively studied.

The test results between talent management and employee engagement variables have a significant result of synergistic relationship in influencing individual performance. In this case, the company should focus on individual performance indicators including work pride and consistency in showing high quality work that exceed the company’s standard in order to increase the individual performance in each employees.

The Effect of Job Satisfaction on Individual Performance

Based on the test results, the $t$ value is 4.341 with a significance level of 0.000. In this case, the significance level is $0.000 < 0.05$ which indicates that there is a significant effect of job satisfaction on individual performance. The employees with a high level of satisfaction will show a positive attitude towards their work. Furthermore, the employee satisfaction plays an important role in improving the individual performance of employees who working in mineral and coal industry. Moreover, the employee satisfaction also has a crucial role in achieving organizational goals.

This is supported by the research from Riyanto et al (2021) which concluded that job satisfaction affects the employee performance. In his research, he explains the importance of encouragement to increase employee motivation to become more active and innovative in achieving the goal, as well as providing feedback to produce high employee engagement. In addition, performance improvement plans will help the employees to develop their skills to maximize their potential. Furthermore, the research from Badrianto & Ekhsan (2020) also states that job satisfaction has a positive and significant effect on employee performance both partially and simultaneously.

The Influence of Talent Management on Individual Performance Through Job Satisfaction

Based on the calculation results of direct and indirect effects from talent management ($X_1$) on individual performance ($Y$) through job satisfaction ($Z$), the results show that the indirect effect is bigger than the direct effect of $5.826 > 0.438$. This result indicates that the indirect effect of talent management on individual performance through job satisfaction is bigger than the direct effect of talent management on individual performance. This finding is in line with research
conducted by Al-Hussaini (2019) which concluded that talent management affects employee performance behavior through the role of talent management outputs. Meanwhile, the satisfaction variable is part of talent management outputs. In addition, this finding is contrary with the research result by Mega Putri et al. (2023) which states that job satisfaction does not mediate the relationship between talent management and employee performance.

**The Effect of Employee Engagement on Individual Performance Through Job Satisfaction**

Based on the calculation results of direct and indirect effects of employee engagement ($X_2$) on individual performance ($Y$) through job satisfaction ($Z$), the results show that the indirect effect is bigger than the direct effect of $2.474 > 0.132$. This result indicates that the indirect effect of employee engagement on individual performance through job satisfaction is bigger than the direct effect of employee engagement on individual performance.

There are not many research that examines the job satisfaction variable as a mediating variable to observe the effect of employee engagement on individual performance. The results of this research can certainly contribute to theoretical gap for further research that discusses the effect of employee engagement on individual performance through job satisfaction as a mediating variable.

**CONCLUSION AND SUGGESTION**

**Conclusion**

Based on the results of data analysis conducted to answer the research objectives on working employees who work at PT ABC, as well as employees who work in coal mineral industry surveyed through LinkedIn platform, it concludes that there is a significant influence of talent management and employee management on Job Satisfaction simultaneously, along with significant effect of Talent Management and employee engagement on Individual Performance. Moreover, there is a significant influence of employee engagement on individual performance simultaneously, and there is a significant influence of job satisfaction on individual performance. In addition, there is an indirect effect (talent management on individual performance through job satisfaction) is bigger than the direct effect (talent management on individual performance), and indirect effect (employee engagement on individual performance through job satisfaction) is bigger than the direct effect (employee engagement on individual performance).

**Suggestion**

Based on the analysis results, the following suggestions from researcher for several related parties are as follows: First, for the management of PT ABC and the companies whose employees were surveyed through the LinkedIn platform, such as (a) maintain the talent management and employee engagement programs and
ensure that effective talent management and employee engagement programs are conducted and improved regularly. Then, evaluate these programs and make necessary improvements based on employee needs and demands; (b) provide proper appreciation to employees who work hard and achieve the targets. This can increase employee motivation and job satisfaction, that resulting in improved individual performance; (c) provide relevant training and skills development based on employee needs. This can help employees feel involved and grow within the company, as well as improving job satisfaction and individual performance; (d) provide regular feedback on employee performance and the suggestion to improve it. This can help them improve their performance and job satisfaction, and feel valued by the company; (e) create a positive and supportive work environment for employees, such as supporting work-life balance, implementing consistent policies, and building an inclusive and collaborative work culture.

Second, for PT ABC employees and those surveyed through LinkedIn platform, such as (a) take more responsibility in the workplace for demonstrate an employee’s abilities and skills, which able to increase the confidence and job satisfaction; (b) improve communication with leaders and coworkers that can help improve working relationships and increase collaboration within the team for improving employee performance and job satisfaction; (c) ensure that the employee can met the work targets set by company which able to demonstrate reliability and good performance and increasing the leader’s trust and coworkers; (d) take advantage of self-development opportunities offered by the company, such as training, seminars, and workshops. By joining these programs, employees can improve their skills and knowledge, that able to improve employee performance and job satisfaction; (e) be proactive for showing initiative and problem-solving skills, which can improve the employee performance and positive contribution to the company. The last, for further researchers to examine more dept on talent management, employee engagement, and job satisfaction in the same or different industries. In addition, further researchers can add another variables, such as commitment of contract that related to talent management, employee engagement, job satisfaction, and employee performance.
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