

Implementation Talent Management To Improve Organization's Performance In Indonesia To Fight Industrial Revolution 4.0

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Abstract: The rapid development of artificial intelligence in the world makes companies look for competent human resources for the development of technology, qualified skills and good attitude. Specifically, employees are considered as talents who work for the company. It is important for organizations to make talent management for employees with the aim of pushing the organization to the optimal point of achieving company performance amid high company competition. This paper takes further concept studies and focuses more sharply on the practice of managing effective talent management in the face of the industrial revolution 4.0. The paper is qualitative research based on literature reviews of various scientific articles taken from special journals that have helped build characterization of the most prominent elements that illustrate talent management that influences the performance, based on several important points explained by different authors. The findings show that talent management influences organizational performance. As a result, an optimal process of talent management is needed in order to improve organizational performance in Indonesia to face the industrial revolution 4.0. The results contribute to the literature by providing a description of talent management in accommodating and improving organizational performance in Indonesia.

Index Terms : Talent, Talent Management, Performance, Industrial Revolution 4.0, Qualitative Research, Indonesia, Organization.

1. INTRODUCTION

Currently, the development of human resources in the company is a very important asset. Only selected human resources can enter and become employees because nowadays human work is increasingly being replaced by robots. The rapid development of artificial intelligence in the world makes companies look for competent human resources for the development of technology, qualified skills and good attitude. Specifically, employees are considered as talents who work for the company. The company now has access to new technological developments with the right resources. The only thing that distinguishes one company from another is the use of human intelligence. Organizational performance and competitive advantage depend on intellectual employees [3]. It is important for companies to create talent management for employees with the aim of pushing the company to the optimal point of achieving company performance amid high company competition. Talent management focuses on bringing out the best abilities of employees and retaining the best talent needed for organizational growth [16]. Talent management is defined as a systematic process for identifying, recruiting, developing, retaining and rewarding talented people [20] which functions as an organization's preparation for dealing with skills deficits in the future [16]. Furthermore, anxiety about scarcity of talent is a universal problem. All organizations around the world compete for the same talent. The global integration trend shows standardization in recruitment, management and talent development to ensure they have a competitive advantage [19].

In Indonesia, currently facing many talents who do not want to work in Indonesia or build their own nation, because some aspects ranging from not valued in their own country, salary

factors, etc. This is truly an irony during Indonesia heading towards developed countries, but many have lost the potential of talented people to build industry in Indonesia [1]. Talent management may be unnoticed and easy to ignore when the industry is growing, however, when the industry is down or more severe a crisis occurs, the need to identify and develop employee talents is very important to deal with the crisis [13]. Talent management issues must be addressed by the highest leadership of an organization that focuses on the vision of the future and is implemented through concrete action [16]. It is too late, if talent management is focused when there is a crisis, on the contrary talent management as the initial basis of the company in improving human resources ranging from recruitment, training, development, management, assessment [22] and retaining quality employees is strategically important [5]. Organizations that encourage work culture such as talented employees are given wider career development opportunities that will motivate other employees to maximize their talents and the goal is organizational performance and success [22]. In western culture, talent is generally understood as an innate ability that leads to above average performance in a domain. In Japan, by contrast, talent shows extraordinary achievements resulting from years of training [8]. Talent management concepts are widely known but can be considered lacking a concrete description of related activities that focus on human resources and organizational processes. Therefore, an investigation into the practical use of the theoretical concept of talent management philosophy is needed that leads to the development of the industrial revolution 4.0 where new technology will have an impact on all disciplines, the whole value chain and challenging factors for the function of human resources [2],[10]. This paper takes further concept studies and focuses more sharply on the practice of managing effective talent management in the face of the industrial revolution 4.0. This research was initiated with the hope of achieving clarity, and more importantly, trying to identify solutions in talent management practices in Indonesia that have not been maximized in improving organizational performance. In other words, this research is designed to overcome the knowledge gap in understanding the relationship between talent management and organizational performance.

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2. LITERATURE REVIEW

Talent management is a systematic process carried out by the company in finding, selecting, improving and maintaining the best talents of its employees in meeting the needs of the company today and in the future [14],[20]. There are three interpretations in Talent Management namely: new depictions of traditional HR practices that fail to interpret the company's strategic needs. Second, talent management refers to organizational succession planning. Finally, talent management requires the identification of talented employees who work in the organization [6]. The purpose of talent management is to improve employee performance, to enable the company to get the right person in the right position and job, avoiding mismatch in the work in the face of increasingly fierce competition [16]. Integrated talent management is one holistic approach to integrating talent at four main levels. This approach contains: business strategy, human resource strategy, talent management processes and organizational culture connected in one package [8]. To gain competitive advantage, the demand for human resources encourages talent management. Talent management strategies focus on five main areas: attracting, choosing, attracting, developing and retaining employees [14]. In a cultural perspective, talent management acts as part of an organizational culture and enables employees to grow successfully and independently. In a competitive perspective, this is focused on determining the strengths and weaknesses of employees themselves and to developing strategies to compete with rivals successfully. In a development perspective, the focus is on individual growth. I put the right people with the right skills where they grow and help the organization to grow. In the perspective of change, employees use their means to bring change in the organization [3].

2.1 Talent Management Strategy

Talent management strategies must be integrated and harmonized with organizational strategies and it is also very important to articulate talent management strategies. Talent management is related to culture and people in the organization [19]. Business benefits when employee goals are in line with business goals which reflects the realization of the goals and objectives of the organization [21].

2.2 Talent Attraction

The first strategy in talent management is the recruitment of employees with special qualifications who are future leaders of the organization [13]. Employee resources can come from within and outside the organization. There are various considerations if the organization takes it from within, namely that employees already have insight and knowledge about the business processes of the company, and the motivation of employees who are appointed to new positions is higher. However, if the company wants to make a new change, it is better to take employee resources from outside the organization [13]. The way to get the best prospective employees is by how the company makes a good and positive image to the community including public relations strategies, company branding, company introduction, providing CSR and promotion. Without a good and positive company image, it is very difficult for companies to get the right talented employees because employees see the company based on the challenges that exist within the company, work environment, promotion opportunities, training, flexibility, and company

reputation [13]. Recruitment of talented employees indicates that the company has implemented a talent management strategy. Corporate branding is an effective strategy in getting talented employees and differentiate them from competitors [20]. Other factors such as company reputation, work-life balance, competitive salary and challenging work are important factors for attracting employees [3]. Compensation and reward systems must support knowledge sharing and talent. It is important to reward employees who contribute more in sharing knowledge in the organization [19].

2.3 Talent Development

Talent development is an important part of employees, namely how companies develop employees with their own abilities to be creative, to gain knowledge, and to have the desire to work [8]. Companies can adopt several talent development strategies to improve employee competency skills, attitudes and knowledge with the aim of creating positive performance. Training and development, mentoring, coaching and succession planning are all tools that make up talent development [20]. Talent is an ability that can be developed by gaining experience and skills [5]. As businesses continue to implement new technologies, new business models, and new market strategies, continuous improvement of employee skills is necessary [13]. The employee learning and development process will minimize skills gaps and provide opportunities for top talents to become future leaders. Talent development through increased employee knowledge will also cope with new organizational, technological and business model changes [19].

2.4 Talent Retention

Talent retention functions to keep employees in the company during peak performance. Talent turnover is very dangerous for a company because it requires a lot of costs in finding new talents and in accordance with the company's goals ranging from recruitment costs, transition costs, indirect costs associated with new ideas, decreased production, etc. [13]. Retention of talented employees is very important and is one of the main tasks of the company in maintaining the company's competitiveness through the talents of its employees [20]. There are two things that can make employees will remain in the company, namely: intrinsic incentives and extrinsic incentives. Intrinsic incentives refer more to matters relating to money that can satisfy employees in physiological matters such as attractive compensation packages, additional incentives. Extrinsic incentives refer more to things outside of money that can be satisfying in psychological terms such as insurance, flexible working hours [13]. Employee retention can be slowly increased if employee talent is motivated with monetary and non-monetary rewards [20]. Career improvement opportunities, organizational culture, and work life balance reduce the rate of employee turnover in an organization. Employee retention for longer periods can also provide a good image to the organization [3].

2.5 Career Management

There are several elements of career management including career development and planning that focus on employee growth and development planning which consists of rotation, transfer, job promotion, employee workshops, employee care path [13]. Career management be a form of company support for its employees and can positively improve employee

performance and reduce employee turnover and absenteeism [13].

2.6 Talent as Potential Employee

Talented employees are people who show their abilities and achievements and have the potential for promotion to higher career paths to become potential leaders in the company [5]. Talented employees have added value for stakeholders. They are trained and knowledgeable not only about their work, but they are able to solve every possible situation that can occur in business [21].

2.7 Talent as Performance

A company-run business will continue to run if the entire process and system are in line with company goals. These functions are carried out by talented human capital in them, so it is very important that there is an integration of talent management with the business strategy that the company operates to gain a competitive advantage compared to its competitors [13]. The company uses this talent to solve problems and identify weaknesses in the company to be repaired and become an advantage for the company. It can be said that if the company wants to be successful, then the company must invest in the talent management of the employees themselves [13]. The collection of talents possessed by employees is called the company's collective skills. From the company side, it is this employee talent that will inject the ability to the company so that, it is very difficult to compete with and provide potential long-term benefits [13]. From the employee side, employees will be motivated if their talents can be accommodated, enhanced through the learning process, and have the potential for strategic positions thanks to their abilities and performance [5]. This will make them loyal to the company [22]. Basically, performance is the result of a series of behaviors that are actually carried out by employees in work situations [9] and determine the survival and profitability of the organization [11]. Performance is an important mechanism for management to explain the goals and standards of performance, to motivate the performance of individuals in the future for the sustainability of the organization. Employee performance is to evaluate whether employees do their jobs well within the organization [23]. This is also a scoring system used in most companies to determine and evaluate the ability of an employee [15]. Performance as a study center for management strategies as organizational guidelines in employee control functions [24],[12].

3. METHODOLOGY

The paper is qualitative research based on literature review of various scientific articles taken from special journals that have helped build characterization of the most prominent elements that illustrate talent management that influences the performance, based on several important points explained by different authors [18]. A qualitative approach is used to frame, analyze and solution in the form of a strategic model for the organization in improving the performance based on talent management to fight Industrial Revolution 4.0 [4]. After an in-depth review of the literature for analysis, several articles were selected as the main corpus.

4. DISCUSSION

Currently, one of the most popular topics is how an organization fights for the talents of its employees. An

employee is an investment form of an organization that requires development and learning [5]. A recent study showed that 85% of HR executives stated that the biggest challenge in Indonesia was competing to create and retain talented employees [14]. The Indonesian government is currently only realizing how important talent management is. Under the Jokowi government, talent management institutions will be built and encouraged to become world-class players through efforts including developing quality and competitive human resources that can provide good performance at the global level [7]. However, many organizations in Indonesia have not seen talent management as a mechanism to solve current problems. If this is ignored, it will further alienate qualified employees from talented young people who have knowledge, the continuity of knowledge is not guaranteed and can endanger the organization [8]. On the contrary, well-managed talent management will create new sources of income and new direction in business globally. The active motivation of the part of talented employees is then reflected in their behavior towards end users, increasing end user satisfaction and building and supporting the direction and goals of the organization [8]. Several previous studies have stated that companies that follow certain talent management policies increase their profits by 26% more than their competitors [5]. Indonesia can compare talent management from several countries. One of them is, talent management techniques used in the US, one can conclude that the American talent management business model is characterized by individualism and contractual business relationships [5]. The European model is characterized by creativity, tolerance and teamwork in a multicultural environment. The European model is an intermediate position between the two management cultures (Japanese and American) which features quality management and reputation management. [5]. In dealing with problems faced by Indonesia, the handling of talent management can be taken as an initial step i.e. the organizational strategy must be clear even before the main objectives are outlined [5] and the importance of defining talent concretely because it will be different for each organization in the government and in the private sector [8]. Second, in the form of identification of talent at the time of recruitment, because if the organization is wrong in choosing its employees will harm the organization later [5]. Analytic abilities, emotional intelligence, the ability to collaborate and the ability to communicate between employees are important for organizations in seeing the competencies of their employees [8]. It would be better for the organization if they started looking for talented people while they were still in school [8]. During the recruitment and selection process, organizations can determine potential talents by analyzing the qualifications, experience, skills needed and comparing them with applicant profiles. The process can be effective in attracting potential talent if the hiring manager has a clear perception of the skills needed and the strategic objectives of the organization [20]. But it should be noted, if the company focuses on recruiting talented employees it will lead to frustration and lack of motivation on existing employees. This must be monitored and minimized through communication and professional development opportunities [17]. Third, training and empowerment. This practice is very important because it provides a way of learning and developing programs for various levels of the organization. Most importantly, talents are managed in accordance with the strategic objectives of the organization

[21]. The current empowerment of the organization only focuses on individuals called "talents"; while others are ignored. These people will lose motivation and their performance will decrease. Organizations must also focus on these employees to enter the organization's talent management system [8]. The form can be done training and development programs [13] which can improve employee performance and meet the specific needs of personnel [20]. Fourth, appreciation. Where in this function the organization tries to match the compensation plan with performance. So that the benefits, incentives, and rewards related to business goals can be received by talented employees [21]. Fifth, their involvement in the organization. Where the involvement in the company, will make employees more productive and there is a sense of love for the company [21]. With involvement, opportunities to learn and make contributions in decision making will be even greater [3]. Sixth, Retention and Career Path. It is important for an organization to retain talented employees. Because, employees also know their worthiness and can move to other organizations when their abilities are not valued [8]. Retention is the most difficult process. The company's main problem is the lack of specificity of the subdivisions responsible for maintaining a friendly environment. This is mostly done by managers of various levels [5]. Organizations that recognize and exploit the potential of employees enable it to improve organizational performance. On the other hand, the organization must also support the career growth of employees [5] and make the organization more attractive to prospective employees. These needs can be met when the information offered to employees is considered as a reward, something that is valued, useful and desirable [20]. It is important for organizations to identify candidates for certain positions in the future. Sustainable planning must also be in accordance with the business plan to understand and meet the requirements for important positions (3-5 years) [21]. Seventh, Total Quality Management in Talent Management. TQM makes it possible to improve the area of problematic talent management [8]. Eighth, Technology. Organizations can create and adopt technology systems to support talent management. In Russia, using Oracle or SAP that automates the performance management of personnel, education, staffing, in monitoring the performance of its employees [5]. Technology has helped manage talent more effectively and simplified the work of human resources [21]. Here I summarize Handling Management talent in Indonesia (Figure 1).

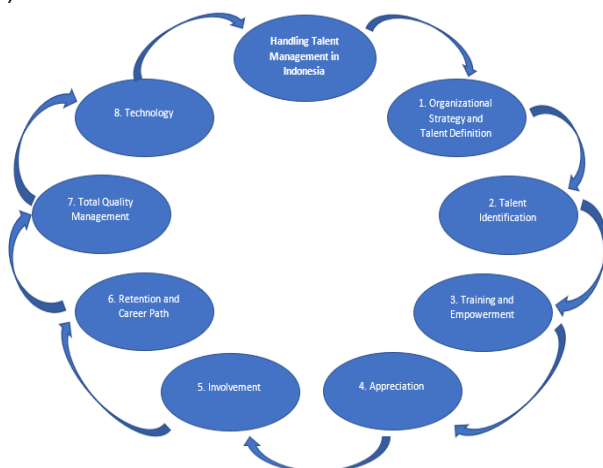


Figure 1: Handling Talent Management in Indonesia

Of the seven factors above, companies in Indonesia must realize the importance of investment in talent management, so they can improve the quality of their organizations and achieve the organization's long-term plans. Some foreign companies operating in Indonesia, bring a positive spirit of investment in talent in their organizations through compensation provided, investment in further training of talented employees, providing career opportunities, the involvement of talented employees in organizational decision making. Maybe this is a good example for entrepreneurs in Indonesia to ensure their long-term success in the market.

5. CONCLUSION

This study reveals that talent management is very important for survivors of profit organizations in today's modern and highly competitive global business environment. Labor mobility is very high, not only across national borders, but even internationally, making talent management issues very important because many organizations and countries are competing to get talented employees. Talent management strategies focus on developing potential employees. A talent management system can be a tool to optimize the performance of each employee and the entire company. The main source of profit for any company is its talented employees because there is a visionary idea, ambitious goals, and innovative production. Talent management is now a very important business constituent that determines and becomes a new approach in personnel management. The theoretical contribution of this research is to present a key approach to talent management, because in the practice and learning process of talent management some organizations still do not understand. It is important to recognize the limitations of this study. These findings provide the basis for hypotheses and future research in this field. Second, methodological problems need to be addressed. As this study takes a qualitative perspective with a research journal analysis, additional empirical research is needed such as adding quantitative data to identify more comprehensively about the indicators that best reflect the talent management variable.

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