EFFECTIVE STRATEGY FOR IMPLEMENTING TALENT MANAGEMENT FOR COMPANY IN INDONESIA

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Abstract

A new paradigm in Human Resource Management recently assumes that human resource is an organizational asset (it is known as human capital) that must be managed proactively and strategically. Because the great challenge of management today is to winning a talent war. The talent war is a situation when company competes each other to beat their competitors for the best talent available in the labor market. One of strategies to win this talent war is with talent management; it is implemented to determine, find, develop, and manage and retain a talented employee in an effort to achieve strategic goal and future business needs. This study explains how to apply a talent management strategy as a strategy to develop human resources in public organizations so that it will produce superior human resources in the organization. This study used a qualitative approach with a grounded theory; theoretical studies from the previous studies to create a new research model on the relationship between talent management and the development of superior human resources. The study results found that the importance of aligning talent management strategies with business strategies; this is aimed at developing a talent mindset as well as creating superior human resources today and in the future.

Keywords : Talent Management, The Development of Superior Human Resource

A. INTRODUCTION

In the era of globalization, competition in the business world is getting tighter, this is caused by the many companies competing to dominate the market, because globalization challenges business actors in maintaining the opportunities they have and seizing new opportunities that are in front of them (Moeljono, 2005). So it is undeniable that a company must prepare its company to face various challenges in the business world by creating certain strategies so that products and services can dominate the market as dominantly as possible (Silalahi, 2007). Talking about HR management in general, there has been a paradigm shift or perspective on HR management. The new paradigm of HR management views HR as an organizational asset or human capital, so it must be managed strategically and proactively (Ulrich, 1998). The strategic role in managing HR or often referred to as strategic HR management is interpreted as the relationship between the implementation of HR management and organizational strategy to improve performance. In its implementation, the strategic role in managing HR is interpreted as meaning that HR managers must be able to elaborate all the capacities of their employees or HR, to be used as a competitive advantage for the organization.

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Strategic HR management seems to have become a requirement to be carried out. Moreover, the changes that occur in the social environment related to the characteristics of HR today are the information era that is based on knowledge and technology that can be utilized. In this era, HR is more towards knowledge workers, which means that HR is currently required to have new knowledge that is in accordance with the changes that are taking place. To produce quality human resources, individuals are needed who are always highly dedicated and professional who are able to make significant contributions to the company. In carrying out the main tasks, responsibilities, authority in their fields of activity, HR from the top level to lower level employees, need supporting factors including talent management to improve their performance. The talent management factor, which is one of the human resource management strategies, tries to optimally link the decline in company performance with the process of developing employee talent through searching, attracting, selecting, training, developing, maintaining, promoting, and transferring employees so that they are related to the company's main business. The paradigm behind talent management is that companies compete at the individual level to gain productivity gains. If we succeed in getting individuals who are on average better than other competitors, then we will get a company that will be better in its performance.

Therefore, the challenge for companies today is to win the talent war, because the ability to win the talent war affects the ability to win the market. The talent war is a situation when companies compete to beat their competitors to get the best talent in the labor market. This has consequences for companies to be better able to carry out the talent selection process and be more skilled at developing existing talents. To win the talent war, every company needs to understand the definition of talent. Previous studies that have examined the problem of Talent Management have proven that talent management has a significant effect on the progress of the company. Such as Rachmawati's research (2012) in (Chan & Claudia, 2018), where the results state that the implementation of talent management with a strong focus on business strategy has a statistically high and significant impact on company profits. (James, 2012) also stated that several large companies that are classified as performing well generate higher profits per employee, because they have a good global talent process. The correlation between profitability and Talent Management is very good. (Ridha, 2016), in his research stated that Talent Management has a significant effect on Employee Performance. Talent Management is a basic need and an advantage for companies to determine, find, develop, and manage and retain talented employees in an effort to achieve strategic goals and future business needs. In addition, this can align talent management strategies with business strategies, this is intended to be able to develop a talent mindset as well as the creation of superior human resources in the present and the future.

B. LITERATURE REVIEW
1. Human Resource Management (HRM)
a. Definition of HRM

Human Resource Management (HRM) refers to the strategic approach to managing people in an organization to help the business gain a competitive advantage. HRM focuses on the recruitment, management, and direction of people who work in the organization. According to Dessler (2020),

HRM is "the process of acquiring, training, appraising, and compensating employees, and attending to their labor relations, health and safety, and fairness concerns." Armstrong (2014) describes HRM as "a coherent and strategic approach to the management of an organization's most valued assets—the people working there who individually and collectively contribute to the achievement of its objectives." Key aspects of HRM include employee relations, performance management, training and development, and organizational culture.

b.   Objectives of HRM

The primary objectives of HRM are both organizational and individual, aiming to balance employee needs with the organization's goals. Key objectives include:

- Strategic Alignment: Aligning HR policies with organizational strategies to support business goals.
- Employee Performance: Enhancing productivity and ensuring employees perform at their best.
- Talent Acquisition and Retention: Attracting, recruiting, and retaining skilled employees.
- Training and Development: Providing learning opportunities to enhance employee capabilities.
- Employee Satisfaction: Promoting job satisfaction and engagement to reduce turnover.
- Legal Compliance: Ensuring all HR practices comply with labor laws and regulations.
- Diversity and Inclusion: Fostering a culture of diversity, equity, and inclusion within the organization.

c.   Functions of HRM

HRM functions are broadly categorized into managerial and operational functions.

Managerial Functions:

- Planning: Anticipating future HR needs based on organizational goals and market trends.
- Organizing: Structuring the HR department to efficiently handle HR processes.
- Directing: Motivating and leading employees to achieve individual and organizational goals.
- Controlling: Monitoring HR policies and practices to ensure alignment with objectives.

Operational Functions:

- Recruitment and Selection: Identifying, attracting, and selecting the best candidates for the organization.
- Training and Development: Enhancing employee skills and preparing them for future roles.
- Performance Management: Setting goals, evaluating performance, and providing feedback.
- Compensation and Benefits: Designing fair and competitive pay structures and benefits packages.
- Employee Relations: Managing workplace relationships and resolving conflicts.
- Health and Safety: Ensuring a safe and healthy work environment.
- Compliance: Adhering to labor laws and regulations to avoid legal issues.

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2. Talent Management

Many definitions have been put forward by experts regarding talent management. According to (Pella, Darmin A & Inayati, 2011): "Talent management is a process to ensure a company fills key positions of future leaders and positions that support the company's core competencies (unique skills and high strategic value)." Furthermore, (Pella, Darmin A & Inayati, 2011) added regarding talent management as follows; "Talent is people that the company wants to maintain because of their advantages, talent can also be interpreted as employees who are identified as having the potential to become future leaders of the company". (Rampersad, 2006) argues that: "Talent management is a way of managing talent in an organization effectively, planning and developing succession in the company, realizing maximum employee self-development, and optimal utilization of talent." The above definition shows that talent is something owned by employees that is built and fostered through training and development programs by an organization for a long-term process that can improve their performance so that it can be a driving force behind their contribution to the success of the organization. Therefore, it is the obligation of every company to analyze and develop the talents owned by each of its employees. According to Smilansky (2008), the objectives of talent management are:

1) To develop the best team of excellence in a competitive business environment.
2) To obtain potential replacements for key executive positions.
3) To enable the inter-filling of executives from various functional, geographic, and business backgrounds, so as to develop innovation and make the best use of the company's internal resources.
4) To develop the necessary career opportunities that can retain and attract the best executives.
5) To build a culture that can encourage the best executives to perform at their peak potential.
6) To ensure opportunities for the most talented employees talented enough to rise quickly from the bottom level of the company to the top level.
7) To promote executive diversity (by gender, ethnic background, and age) in key positions, reflecting the characteristics of customers and the broad talent pool. To develop a process for assessing potential employees whose results go beyond the perspective of the employee's manager.
8) To build a sense of belonging to the need for talented employees, open unlimited opportunities for exceptional employees, and develop employees for the benefit of the company. Some of the objectives of implementing talent management above show that the key to talent management is an effort to understand how talent management fits and aligns with the overall efforts and functions of HR to improve the performance of the company or organization.

Talent management is a relatively new concept in the field of HR. The term talent management was first introduced by McKinsey through a study "the war of talent" in 1997, which later became one of the first books published in 2001. Talent management strategy is a planned and structured organizational approach to identifying, developing and retaining talented employees in an organization (Gasperz, 2002).Another point of view states that talents are people who have the best qualities that are built, fostered by the organization for a long-term process, and these talents will become the next generation of

the organization. Talent is not limited to a particular field or employee level, but can be found at all levels and functions. Talent in an organization has several characteristics that distinguish it from employees in general. Several research results in the field of HR, state that talented employees show the following main characteristics:

1) Ability to perform a role. This ability supports an employee to be able to provide superior results in any role played. This ability distinguishes employees who have broader competencies than specialist abilities.

2) Ability to handle change. The ability to adopt change as part of organizational evolution is one of the characteristics required of talented employees. Talented employees consider change as a source of challenge and opportunity to prove their competence and abilities. In facing change, talented employees will prepare new ways to achieve the desired results.

3) Capacity to learn. The ability to master knowledge and skills is an important part of personal development for talented employees. Talented employees always try to expand their knowledge, and demonstrate the intellectual capacity to absorb new concepts and techniques.

4) Personal profile. Personal profile can be interpreted as the characteristics of talented employees which include:

- self-confidence based on their ability to master the latest changes and this self-confidence is mastered based on techniques that they adopt to help analyze tasks and develop effective processes to deliver superior performance;
- skills in communicating both written and oral, and this ability will support them to convey ideas and be accepted by the organization;
- a combination of self-confidence and communication accompanied by logical (reasoning) abilities that allow the application of a problem-solving approach; and
- focus or ability to concentrate on the main factors that bring success

After determining future talent needs, the next step is to determine the talent management model. Several talent management models such as the model developed by the Boston Consulting Group, Accenture Model, General Electric Model basically have the same perception of the talent management process, namely the process of identification (including the assessment process), development, and maintaining the talents owned by the organization (Davis, 2009).

In implementing a talent management strategy, one of the important elements is getting talented employees. Talent can be obtained from internal and external sources of the organization. A structured management strategy will consider these two sources. However, in practice, the organization will first consider internal sources, considering that existing employees at least have knowledge of the organization. Talent identification is done by mapping employees. The purpose of employee mapping is to divide employees into smaller groups based on certain criteria. More specifically, this employee mapping aims to find talents that will enter the talent pool. A talent pool is a group of people who have been identified as being able to be developed over a certain period of time and treated as an organizational asset. This employee mapping must be done because without good employee mapping, employee development and talent management will not run effectively.

The development investment for one group of employees is certainly different from other groups. Especially for the group of talented employees or often called 'star' employees, of course, they also need a

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special development pattern. For this employee mapping, there are several elements used as criteria, namely experience, profile and qualifications, which can be assessed objectively, and all three describe past performance. While the elements of expertise, potential and quantification are assessed subjectively, and these three elements are used to measure or predicting the potential of candidates in the future. The six elements are represented by two dimensions, namely performance and potential. Performance represents the criteria or elements of what candidates have done in the past, while potential represents elements that predict what candidates can do in the future. The performance aspect shows the consistency of candidate achievement, and potential describes the extent of the capabilities and readiness of employees or candidates to occupy higher positions. Both dimensions, namely performance and potential, are used to compile an employee mapping matrix, which is often called a talent search matrix model. The result of talent identification is a talent pool, which contains talented employees whose potential must be optimized consistently, to support the performance of their organization, and conversely the organization must strive to retain this talent with various retention programs. Various talent management models, one similarity can be seen, namely the key component in the talent model is its development. But of course the pillar of talent development cannot stand alone without the support of a good performance appraisal or succession system. Good talent development will not be optimally successful if the identification process is not supported by an objective performance appraisal system. Good talent development will not be meaningful if it is not supported by a good succession system. The philosophy of talent development is development that takes into account the characteristics of individuals within the organization.

Talent development programs designed in an organization must begin with insight into each talent. Insight is a process of internalizing what must be done to understand the strengths of employees to be able to perform superiorly in a field (Sudjatmiko, 2011). With the help of a coach, it is hoped that these talented employees can find new opportunities within themselves and have not been found by themselves before. Insight must be followed by motivation. The motivation built for employees must be clear. So if a talent follows a development program, then you must think about what will be obtained, and vice versa if you do not follow, what consequences will be received. Employee development programs in the form of training must focus on the discovery of new knowledge and skills in the work environment. Development programs through training that focus on the discovery of knowledge and skills, include action learning and project assignments. In action learning, mistakes are still tolerated. The harmony of this talent development program must be organized with other systems or programs, so that there is synergy between systems and programs, and in turn will contribute to superior performance for the organization. Talent management is concerned with finding the right people with the right skills for the right positions (Capelli, 2009). A good company is a company that has a vision, mission, and company values that have been set. Retaining talent The main issue in talent management strategy is to keep talented employees in the organization while continuing to develop them (Berger, L. A. & Berger, 2007) in Sudjatmiko, 2011). An increasingly open career system provides opportunities for employees to pursue careers outside their organization. In this case, organizations need to be wise by developing HR programs that aim to be able to maintain the talents they have and have developed. In addition, according to (Lockwood, 2006), under

the umbrella of talent management, succession planning and leadership development are organizational strategies for developing and retaining talent.

C. METHOD

The research method used is a qualitative research method with a grounded theory research type, with an emphasis on human resource development so that superior human resources are obtained. The selection of this method is based on Grounded research offers a different approach from other types of qualitative research, such as phenomenology, ethnography, case studies and narratives. In qualitative research, grounded theory does not start from theory to produce a new theory but rather seeks to find a theory based on empirical theory, not building a theory deductively logically. Therefore, grounded theory releases theory and researchers go directly to the field to collect data. In other words, grounded model research moves from data to concepts. The data that has been obtained is analyzed into facts, and facts become concepts. Grounded theory is developed inductively during ongoing research and through continuous interaction with data in the field.

D. RESULTS AND DISCUSSION

1. The Role of Talent Management

Rampersad, 2006 argues that: "Talent management is a way of managing talent in an organization effectively, planning and developing succession in the company, realizing employee self-development to the maximum, and utilizing talent optimally." The definition above shows that talent is something owned by employees that is built and fostered through training and development programs by an organization for a long-term process that can improve their performance so that they can be the driving force behind their contribution to the success of the organization. Therefore, it is the obligation of every company to analyze and develop the talents owned by each of its employees.

This talent management theory is also explained by (Moczydlowska, 2012) who states that the practical form of knowledge and action. In the context of talent, where creativity must be the essence. This happens because there are many facts about the concept of talent used in organizational management procedures. (Moczydlowska, 2012) states that the term "talent management" should be replaced with "talent development," which means to create an environment that is in accordance with talent to identify talent, develop, and exploit. (Groves, 2007) stated that talent management is generally related to training on development strategies, identifying talent gaps, succession planning, and recruiting, selecting, educating, motivating, and maintaining talented employees through various initiatives. Why is a talent management strategy needed? Maybe that is the initial question that must be answered in this discussion. Some arguments that underlie the use of the strategy.

Based on the conceptual framework of talent management, the talent management process is a translation of the HR management strategy that is aligned with the organization's strategic planning, and must reflect the achievement of the vision and mission. According to (Davis, 2009), the initial step that needs to be taken in the talent management process is to identify future talent needs. The organization's talent needs for the next five years are a translation of the strategy, and a reflection of the organization's vision and mission, by considering internal and external demands. The quality aspects included in determining talent needs include knowledge and skills obtained from experience, competence, and

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personality. Companies that use talent management as one of their human resource management strategies try to optimally link the process of searching, attracting, selecting, training, developing, maintaining, promoting, and transferring employees so that they are related to the company's main business. Employee Mapping to Identify Talent the identification process is carried out by creating a mapping matrix using two dimensions, namely performance and potential. In the employee mapping matrix, there are nine quadrants, namely quadrants I to IX, which are then grouped into three employee groups, namely A, B and C. Grouping A, B and C is for the purpose of focusing development for each group. This identification will be able to identify employees who will enter the talent pool. This talent pool is needed in succession planning, among other things.

In the mentoring process, it is basically a social exchange process, where there is a reciprocal relationship between the mentor and the employee being mentored (protégé). Because it is a reciprocal relationship process, the mentor can also utilize the protégé to complete some of his/her tasks, while directing, so that the mentor's tasks or work are completed more quickly. But more than that, basically the most important thing is the understanding that the future of the organization is a shared responsibility, so how to create future leaders is also a shared responsibility. The Role of Talent Management in Developing Superior Human Resources Research (P Khatri, S Gupta, 2010) in the Journal of Management Strategy states that talent-based management is the development of human resources based on the talents possessed by a person, so the concept of talent management is believed to be better than other resource concepts in HR development. People who have talent can work faster, more carefully, and have more artistic value if someone has artistic talent. People who work according to their talents will be able to contribute to the innovation developed by the company. This talent-based management can be applied in various companies that use talented workers and will encourage their competence in working. The results of this study also support the statement of Satrika Patil (2010), Zartaj Kasmi (2011), Puvita Y.A (2008) regarding talent management, namely the utilization of human resources who have talent in their field of work which is useful for business development.

2. Talent Management (TM) Implementation in Indonesia

Talent management (TM) is a strategic approach to developing and retaining key staff within an organization (Paauwe, 2004). In Indonesia, where an increasing number of multinational companies have established operations, the implementation of TM is crucial for long-term competitiveness (Riyanti & Sung-Sik, 2016). This essay reviews the current state of TM in Indonesia, highlights the challenges faced by organizations, and identifies opportunities for improvement. The Indonesian labor market is characterized by a large and young population, with over 70% of workers under the age of 30 (BPS, 2020). This demographic dividend offers significant opportunities for TM, but it also poses challenges. For instance, many young workers are attracted to multinational companies that offer better salaries and benefits, making it difficult for local companies to retain talent (Sugiyarto, 2018). Furthermore, cultural and linguistic differences can create barriers for organizations trying to attract and retain expatriate talent (Harrison & Klein, 2007).

Despite these challenges, many Indonesian companies are recognizing the importance of TM in achieving their business objectives. According to a survey by the Indonesian Association of Human

Resource (AIHR), 71% of companies in the country consider TM a key factor in their strategic planning (AIHR, 2020). However, the same survey reveals that only 30% of companies have a formal TM system in place, highlighting a significant gap between intention and action. One of the primary challenges in implementing TM in Indonesia is the lack of human resources professionals with the necessary skills and expertise (Riyanti & Sung-Sik, 2016). Many HR professionals in the country lack training in areas such as succession planning, performance management, and talent development (Sugiyarto, 2018). Moreover, the recruitment and selection process in Indonesia is often ad hoc and biased, making it difficult for organizations to identify and select top talent (Harrison & Klein, 2007).

Given these challenges, what opportunities are there for TM in Indonesia? One potential approach is to develop joint training programs with local universities and institutions to build the capacity of HR professionals (Riyanti & Sung-Sik, 2016). Another strategy is to leverage technology to streamline recruitment and selection processes, making it easier for organizations to access and select top talent (Sugiyarto, 2018). In conclusion, the implementation of TM in Indonesia is a complex and challenging task, faced with issues of cultural and linguistic differences, lack of human resources expertise, and inadequate recruitment and selection processes. However, with a forward-thinking approach and a focus on building the capacity of HR professionals, opportunities for improvement are available.

E. CONCLUSION

Based on the discussion above, it can be concluded that talent management strategy is an integrated system, designed to improve performance through the process of attracting and selecting, developing, utilizing and retaining employees who have expertise and talent in order to meet the current and future needs of the organization. In public organizations, the HR development model based on talent is a process that is carried out systematically, namely the process of identifying, developing and retaining talented HR. Development carried out in the context of talent management is an integrated development model. This development includes four aspects that must be developed, namely knowledge, skills experience or competence, and personality. The employee development program carried out is based on the grouping of employees contained in the employee mapping matrix. Based on the grouping of employees in the employee mapping matrix, it will determine their development needs and prepare existing employees or talents according to their groups. This needs to be considered because to prepare talents to make them future leaders by being equipped with a leadership development program. There are several things that must be considered in the implementation of talent management in this organization, including: the need to increase the commitment of employee managers related to employee development, to play a proactive role as coordinators in implementing talent management strategies. In addition to the above, the need to increase the commitment of work unit leaders to also be responsible for playing a role as a 'partner' for employee managers in developing employees. Finally, the need to increase coordination and cooperation between employee management units and work units related to employee development.

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