

THE INFLUENCE OF TALENT MANAGEMENT AND KNOWLEDGE MANAGEMENT ON EMPLOYEE PERFORMANCE (A CASE STUDY AT THE REGIONAL REVENUE, FINANCIAL, AND ASSET AGENCY OF PEKALONGAN CITY)

Mochamad Syukron^{1*} Chalimah²

^{1,2} Department of Management, Faculty of Economics and Business, Universitas Pekalongan, Pekalongan, 51111, Indonesia

ABSTRACT

In the current era of globalization, competition is becoming increasingly fierce at all levels of organizations, companies, and institutions. The need for optimal employee performance is crucial in enhancing company achievements. This research aims to explore the influence of talent management and knowledge management on employee performance at the Regional Revenue, Financial, and Asset Agency of Pekalongan City. The research method used is quantitative with 70 samples selected using purposive sampling technique. This study involves validity and reliability tests, as well as data analysis such as determination coefficient, classic assumption tests (multicollinearity and heteroskedasticity), multiple linear regression analysis, F-test, and t-test. The research findings indicate that talent management and knowledge management have a positive simultaneous impact on employee performance. Furthermore, the hypothesis testing results show that both talent management and knowledge management partially have a positive and significant impact on employee performance.

* Corresponding Author at Department of Management, Faculty of Economics and Business, Universitas Pekalongan, Jl. Sriwijaya No. 3 Kota Pekalongan, 51111, Indonesia
E-mail address: mochamad.syukron@hmail.com (author#1), chalimah@gmail.com (author2)

1. Introduction

In the current era of globalization, we are experiencing a period where competition is becoming increasingly intense, and all sectors of business are being affected without exception (Octavia & Susilo, 2019). With this situation, it is evident that all organizations, industries, and institutions greatly require employee performance to enhance industrial performance (Moeljono & Djokosantoso, 2017). The preparation of high-quality human resources needs to be taken seriously with the right methods because humans have diverse characteristics.

ARTICLE INFO

Keywords:

talent management,
knowledge
management,
employee performance

Human resources are an absolute aspect needed in an organization, whether in government agencies, industries, or social enterprises that offer certain remuneration or compensation. With the push of high-quality human resources, the growth of the business world will be realized. (Nisa, Astuti, & Prasetya, 2019) state that in the era of globalization, the development of science and information technology drives organizations to respond quickly and accurately to analyze and predict any changes in the environment or business environment. Therefore, every organization must effectively and efficiently have reliable and high-quality human resources (HR) to carry out the operational activities of the organization.

Talent management is a series of processes used by companies to identify, develop, retain, and place the right people in the right positions (Hariyanto & Ferdian, 2019). In addition to talent, education and knowledge also play a crucial role in cultivating high-quality and competitive human resources. The process of developing employee talent is closely related to proper knowledge management (Harmen & Darma, 2018). One of the most important aspects to achieve company goals is the performance of human resources, and when employee knowledge is supported, employee performance will reach optimal levels. Therefore, high-performing human resources are needed (Kosasih, Natalia, & Budian, 2017).

Issues related to performance are challenges that will always be faced by company management or institutions. Therefore, management needs to understand the factors that influence employee performance. These factors affecting employee performance will enable company management or institutions to implement necessary policies to enhance employee performance to meet the expectations of the company or institution.

Based on the background description above, the research problems formulated in this study are as follows: Does talent management influence employee performance at the Regional Revenue, Financial, and Asset Agency of Pekalongan City? Does knowledge management influence employee performance at the Regional Revenue, Financial, and Asset Agency of Pekalongan City? Do talent management and knowledge management collectively influence employee performance at the Regional Revenue, Financial, and Asset Agency of Pekalongan City?

2. Literature Review

According to Rivai (2018), the objectives of human resource management are divided into four categories: company objectives, functional objectives, social objectives, and personal employee objectives. Company objectives aim to identify human resource management to promote company effectiveness, including human resource planning, selection, training, development, appointment, placement, evaluation, and employee relations. Functional objectives aim to maintain the contribution of the human resource department at a level that meets various company needs.

Talent management involves various processes such as planning, recruitment, placement, orientation, development, evaluation, management, and appropriate compensation for all company employees. In today's business environment where talent is highly sought after, every organization faces the challenge of attracting, training, and retaining talented employees. Employees have the opportunity to develop their performance and careers through talent management strategies. According to Capelli (2019), there are three measurements of talent management: Recruitment, Retain, Developing.

According to Tobing (2018), knowledge management is the management of industry knowledge to generate business value and create sustainable competitive advantages by maximizing the processes of knowledge creation, communication, and application necessary to achieve business objectives. Knowledge management refers to the organizational method of handling knowledge in various aspects of organizational life. There are four main processes: knowledge discovery, knowledge capture, knowledge sharing, and knowledge application. According to Becerra-Fernandez and Sabherwal (2015), there are four measurements of knowledge management: Knowledge Discovery, Knowledge Capture, Knowledge Sharing, Knowledge Application.

The definition of performance according to Sutrisno (2019) is the results achieved by an individual from their work behavior in performing work activities. The definition of performance includes the quality and quantity of work achieved by an employee in carrying out tasks in line with the responsibilities assigned to them. According to Desller (2016), there are six indicators that can be used as benchmarks in measuring performance: Quality, Productivity, Knowledge in the job, Trust, Availability, and Autonomy.

3. Method, Data, and Analysis

In this research, the researcher used a quantitative approach with surveys and questionnaires as data collection tools to investigate a specific population or sample. The variables used consist of independent and dependent variables. The sampling technique used was purposive sampling because not all samples exhibit the same phenomena as those being studied. The study population consists of 84 employees at the Regional Revenue, Financial, and Asset Agency of Pekalongan City. Validity and reliability tests were conducted, and data analysis was performed using the coefficient of determination, classic assumption tests (multicollinearity and heteroskedasticity), multiple linear regression analysis, F-test, and t-test using the SPSS 26 program.

4. Research Results: Validity Test

Research Results: Validity Test

Based on the validity test conducted, the test results indicate that no statement items are considered invalid as the obtained r value is greater than the r table value (0.203). The distribution of the r table values can be seen in the product-moment table with a 5% error level, hence the r value is greater than the r table value. Therefore, based on the validity test results, it can be concluded that the questionnaire used for data collection in this study is deemed suitable for use as it meets the validity requirements.

Table 1. Reliability Test

Variabel	Cronbach's Alpha	Kreteria Nunnaly	Information
Talent Management (X ¹)	0,962	0,6	Reliabel
Knowledge Management (X ²)	0,923	0,6	Reliabel

Employee Performance (Y)	0,931	0,6	Reliabel
--------------------------	-------	-----	----------

In the table above, the criterion used in the reliability test is if the critical value at a 5% error level is 0.600, then the instrument is considered reliable. Based on the results of the validity and reliability tests conducted earlier, it can be concluded that the questionnaire used to collect data in this study is appropriate and can be used because it meets the validity and reliability requirements as it is > 0.6, in accordance with Nunnally's criteria.

Multiple Linear Regression Test

Model	B
Constant	4,692
Talent Management (X1)	0,121
Knowledge Management (X2)	0,688

After analyzing the data using SPSS 26, the regression equation obtained is as follows:

Formula : $Y = a + b_1X_1 + b_2X_2 + e$
 $Y = 2\,366 + 0,121 X_1 + 0,688 X_2 + e$

The regression equation above illustrates the relationship between the Independent Variable and the Dependent Variable partially. From the equation, the following conclusions can be drawn:

The constant value is 4.692, which means that if there are no changes in the Talent Management and Knowledge Management variables (X1 and X2 values are 0), the employee satisfaction level at the Regional Revenue, Financial, and Asset Agency of Pekalongan City is 4.692 units.

The regression coefficient for Talent Management is 0.121. This means that if the Talent Management variable (X1) increases by 1%, assuming Knowledge Management X2 is 0, the employee satisfaction level at the Regional Revenue, Financial, and Asset Agency of Pekalongan City will increase by 0.121. This indicates that the Talent Management variable contributes positively to employee satisfaction.

The regression coefficient for Knowledge Management is 0.688. This means that if the Knowledge Management variable (X2) increases by 1%, assuming Talent Management X1 is 0, the employee satisfaction level at the Regional Revenue, Financial, and Asset Agency of Pekalongan City will increase by 0.688. This shows that the Knowledge Management variable contributes positively to employee satisfaction.

Hypothesis Testing

1. Simultaneous Hypothesis Testing (F-Test)

F calculated	F table	Sig	Standard	Remarks
111410	3,13	000 ^b	0,05	Acceptable

From the table above, the statistical calculations show that the calculated F value is 111.410, while the tabulated F value is 3.13. This indicates that the calculated F value of 111.410 is greater than the tabulated F value of 3.13 at a 5% significance level. Additionally, the significance value of 0.000 is less than 0.05. Therefore, it can be concluded that collectively,

the Talent Management and Knowledge Management variables significantly influence employee performance at the Regional Revenue, Financial, and Asset Agency of Pekalongan City.

2. Partial Hypothesis Testing (t-Test)

Variabel	T _{calculated}	T _{table}	Sig	Remarks
Talent Management	2,199	1996	0,031	Ha accepted
Knowledge Management	7,156	1996	0,000	Ha accepted

Based on the results of the T-test, it can be explained as follows:

1. Talent Management (X1) has a significance value less than 0.05, which is 0.031. Additionally, the calculated T value (2.199) exceeds the tabulated T value (1.996). The test results indicate that the alternative hypothesis is accepted, therefore it can be concluded that Talent Management (X1) has a significant influence on the employee performance variable (Y).
 2. Knowledge Management (X2) has a significance value less than 0.05, which is 0.000. Furthermore, the calculated T value (7.156) exceeds the tabulated T value (1.996). Thus, it can be concluded that Knowledge Management (X2) has a significant influence on the employee performance variable (Y).
3. Coefficient of Determination Test (R²)

R	R Square	Adjusted R Square
0877a	0,769	0,762

Based on the analysis results shown in the summary model table above, it is known that the correlation between Knowledge Management (X2), Talent Management (X1), and Employee Performance (Y) with Pearson correlation produces an R value of 0.877. With a strong correlation level, the value of 0.877 indicates a significant relationship between Knowledge Management (X2) and Talent Management (X1) with Employee Performance (Y). Furthermore, the coefficient of determination (R square) of 0.769 or 76.9% indicates that the Knowledge Management (X2) and Talent Management (X1) variables contribute 76.9% to the Employee Performance (Y) variable, while the remaining 23.1% is influenced by other variables not included in this study.

Classical Assumption Test

1. Multicollinearity Test

Variable	Tolerance	VIF	Remarks
Talent Management (X1)	0,364	2,746	No Issue
Knowledge Management (X2)	0,364	2,746	No Issue

From the table above, it can be seen that the Variance Inflation Factor (VIF) values for the independent variables Talent Management (X1) (2.746) and Knowledge Management (X2)

(2.746) are less than 10.00, and the Tolerance values for each independent variable are greater than 0.100. Therefore, it can be concluded that there is no multicollinearity issue among the independent variables.

2. Heteroskedasticity Test

Variable	T	Sig	Remarks
Talent Management (X1)	0,621	2,746	No Issue
Knowledge Management (X2)	-0,207	2,746	No Issue

To determine the heteroskedasticity test using the Glejser test, the Abs_RES Variable is used as the dependent variable. From the output above, the significance value (sig) for the Talent Management Variable (X1) is 0.537, while the significance value (sig) for the Knowledge Management Variable (X2) is 0.836. Since the significance values for both variables above are greater than 0.05, based on the decision-making criteria in the Glejser test, it can be concluded that there is no heteroskedasticity issue in the regression model.

3. Normality Test (Probability Plot)

Asymp Sig (2-tailed)	Standar	Keterangan
0200	0,05	Normal

Based on the description in the image above, it can be concluded that the results of the normality test indicate that the data in the study follows a normal distribution. The test results show that the Asymp Sig (2-tailed) is 0.200 > 0.05, which means it is greater than 0.05 ($p > 0.05$).

The Influence of Talent Management, Knowledge Management on Employee Performance

The test results for the F-test show a calculated F value of 111.410 with a significance level of 0.000. With a significance level of 0.000 less than 0.05, the alternative hypothesis is accepted, and it can be concluded that Talent Management and Knowledge Management have a significant simultaneous effect on employee performance. This finding aligns with previous research results, where when tested individually, Talent Management did not significantly affect employee performance, as well as Knowledge Management. However, when tested simultaneously, the influence of Talent Management and Knowledge Management on employee performance is proven to be significant at the Regional Revenue, Financial, and Asset Agency of Pekalongan City.

The Influence of Talent Management on Employee Performance

The calculation results in the Partial Hypothesis Testing (t-Test) show a calculated t value of 2.199 with a significance level of 0.031. This significance value is less than 0.05, so the hypothesis that talent management has a positive and significant effect on employee performance is accepted (Null Hypothesis accepted). This indicates that Talent Management directly has a significant impact on employee performance at the Regional Revenue, Financial, and Asset Agency of Pekalongan City. This finding provides insight for companies that the implementation of talent management can enhance employee engagement and improve their performance.

The Influence of Knowledge Management on Employee Performance

Based on the calculation results of the Partial Hypothesis Testing (t-Test) above, the calculated t value is 7.156 with a significance level of 0.00. This significance value is less than 0.05, so the hypothesis that knowledge management has a positive and significant effect on employee performance is accepted (Null Hypothesis accepted). This indicates that knowledge management directly influences employee performance at the Regional Revenue, Financial, and Asset Agency of Pekalongan City. This finding provides insight for companies that the implementation of knowledge management can impact employee engagement and improve performance.

5. Conclusion and Suggestion

Conclusion

1. Talent management and knowledge management collectively have a positive impact on employee performance at the Regional Revenue, Financial, and Asset Agency.
2. Based on the hypothesis testing results using multiple linear regression analysis, the variables Talent Management and Knowledge Management have a positive impact on employee performance at the Regional Revenue, Financial, and Asset Agency.
3. The results of the F-test indicate that Talent Management and Knowledge Management have a significant simultaneous effect on employee performance at the Regional Revenue, Financial, and Asset Agency.
4. The calculation results in the Partial Hypothesis Testing (t-Test) for the Talent Management variable on employee performance show that the hypothesis that Talent Management has a positive and significant effect on employee performance is accepted, with the Null Hypothesis accepted.
5. Based on the calculation results of the Partial Hypothesis Testing (t-Test) for the Knowledge Management variable on employee performance, the hypothesis that Knowledge Management has a positive and significant effect on employee performance is accepted, with the Null Hypothesis accepted.

Suggestion

Suggestions:

1. For the institution:
 - a. Talent management implemented by the Regional Revenue, Financial, and Asset Agency has been running well, and the results show a significant influence between Variable X and Y. However, regular evaluation by superiors is needed to assess activities and areas that still require improvement and enhancement.
 - b. In knowledge management at the Regional Revenue, Financial, and Asset Agency, it is recommended to continue maintaining and enhancing employee knowledge through training that can improve knowledge both online and offline. This is expected to enhance performance in service delivery and have a positive impact on the institution's performance.
2. For future research, it is recommended to investigate other variables to determine their impact on employee performance at the Regional Revenue, Financial, and Asset Agency.

Reference

- Dessler, G (2016) *Manajemen Sumber Daya Manusia Edisi Kesepuluh Jilid 1 (terj)* Jakarta: Indeks
- Harmen, H, & Darma, M T (2018) Pengaruh Talent Management dan Knowledge Management Terhadap Kinerja Karyawan PT Perkebunan Nusantara II (Survei Pada Kantor Direksi Tanjung Morawa) *Jurnal Konsep Bisnis dan Manajemen*
- Karuri, M, & Nahashon, L (2018) Effect of Talent Management on Employee Outcomes : A Case Study of Central Bank of Kenya *The Strategic Journal of Business & Change*, 2 Armstrong, & Michael (2018) *Managing People: A Practical Guide For Line Managers* (BernHidayat, Penerjemah) Jakarta: Bhuana Ilmu Populer
- Cappelli, P (2018) *Talent on Demand: Managing Talent in an Age of Uncertainty* Boston: Harvard Business School Press
- Khanal, L, & Poudel, S R (2017) Knowledge Management, Employee Satisfaction and Performance: Empirical Saudi *Journal of Business and Management Studies* doi:DOI: 10.21276/sjbms2017.2.2.3
- Kosasih, Natalia, & Budian, S (2017) "Pengaruh Knowledge Management Terhadap Kinerja Karyawan: Studi Surabaya Plaza Hotel" *Jurnal Manajemen Perhotelan*
- Mahmudi (2016) *In Manajemen Kinerja Sektor publik* Yogyakarta: Akademi Manajemen Perusahaan YKPN
- Mangusho, Y S, & Murei, R K (2017) Evaluation of Talent Management on Employees Performance in Beverage *International Journal of Humanities and Social Science*,
- Moeljono, & Djokosantoso (2017) *In LEAD! Galang Gagas Tantangan SDM, Kepemimpinan* Jakarta: Elex Media Komputindo
- Nidan (2017) To Study The Impact of Employee Engagement on employee productivity and motivational level of employee in retail sector *IOSR Journal of Business and Management*
- Octavia, H V, & Susilo, H (2019) Pengaruh Manajemen Talenta Terhadap Kinerja Karyawan (Studi Pada Karyawan PT Pertamina Geothermal Energy Area Ulubelu) *Jurnal Administrasi Bisnis (JAB)*
- Pella, Ahmad, D, & Inayati, A (2011) *Talent Management Mengembangkan SDM untuk Mencapai Pertumbuhan dan Kinerja Prima* Jakarta: PT Gramedia
- Rahman, A, & Hasan, N (2017) Modeling Effects of KM and HRM Processes to the Organizational Performance and Employee's Job Satisfaction *International Journal of Business and Management*, 7: 35-45
- Sadri, A, Hesam, P, Shadi, S, & Farhadi, M (2018) Studying The Impact of Talent Management on Performance of Staffs *International Academic Journal of Economic*, 2
- Nisa, R C, Astuti, E S, & Prasetya, A (2019) Pengaruh Manajemen Talenta dan Manajemen Pengetahuan (Studi pada Karyawan PT PLN (Persero) Distribusi Jawa Timur, Surabaya) *Jurnal Administrasi Bisnis (JAB)*
- Nzewi, H, Chiekezie, O, & Ogbeta, M (2018) Talent Management and Employee Performance in Selected Commercial Banks In Asaba, Delta State, Nigeria *European*, 4