

Evaluating Talent Management Practices in Indonesia State-Owned Enterprises: A Case of Adhi Karya Ltd.

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Submission date: 14-Sep-2021 01:00PM (UTC+1000)

Submission ID: 1647962777

File name: 196-1585664236.pdf (481.77K)

Word count: 7026

Character count: 38965

Evaluating Talent Management Practices in Indonesia State-Owned Enterprises: A Case of Adhi Karya Ltd.

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Article History:

Submitted: 02.01.2020

Revised: 12.02.2020

Accepted: 15.03.2020

ABSTRACT

Companies must be aware of increasingly intense competition, so as not to lose their quality human resources who are important assets for company growth. This study aimed to evaluate the implementation of Talent Management (TM) practices in one of the Indonesian State-Owned Enterprises (SOE), Adhi Karya Ltd. Kalimantan Construction Division V. Specifically, this study examined the effect of TM components, namely Talent Retention, Talent Attraction, Learning and Development, and Career Management on Organizational Commitment and Turnover Intention of employees at Adhi Karya Ltd. This study used Structural Equation Modeling (SEM) data analysis techniques for the final number of 107 respondents. The results showed that Talent Retention, Talent Attraction, Learning and Development, and Career Management had positive effects on Organizational Commitment. Proper TM implementation showed that the company's willingness to invest in human resource management would increase employees' commitment to the company. This study

also found that the practices of TM had adverse effects on Turnover Intention. In this case, the better the implementation of TM, the lower the Turnover Intention level.

The implication for managers of SOEs is that they need to pay attention to their human resources management strategy, especially in handling potential employees.

Keywords: Talent Management, Organizational Commitment, Turnover Intention, Structural Equation Modeling, State-owned Enterprises, Construction Company

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DOI: [10.31838/srp.2020.3.86](https://doi.org/10.31838/srp.2020.3.86)

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INTRODUCTION

Background of the Study

During the 2015-2019 period, the Indonesian Ministry of Finance allocated state capital to invest in some State-Owned Enterprises (SOEs), amounting to IDR 65.6 trillion in 2015, and IDR 51.9 trillion in 2016. Capital injection from the state budget in recent years has not seemed to guarantee improved SOEs' financial performance, with seven large SOEs even suffering higher financial losses (Idris, 2019).

The loss experienced by several Indonesian SOEs could be affected by non-financial factors, i.e., weak human resource management strategy. This paper aims to examine the implementation of Talent Management (TM) practices in one of the Indonesian SOEs, Adhi Karya Ltd. Adhi Karya Ltd shows a good business growth. Adhi Karya Ltd., a national construction company, is an excellent example of an SOE that realizes the importance of managing its human resources through the TM program. Adhi Karya Ltd. was initially a Dutch-owned company named Ingenieur-Architecten-en-Annemersbedrijf Associatie Selle en de Bruyn, Reverse en de Vries NV (Associate NV) before being nationalized following Indonesia's independence. The company changed its name to Adhi Karya State Enterprise on March 11, 1960. Hyper infrastructure development in the first years of the independence era contributed to the rapid growth of Adhi Karya State Enterprise. On June 1, 1974, Adhi Karya State Enterprise changed its status to Limited Company (Ltd). In 2004 Adhi Karya Ltd. was listed on the Indonesian Stock Exchange as the first construction company traded on the stock market. Adhi Karya Ltd. is

known as a leading construction company in Southeast Asia (Company Profile, 2017). Adhi Karya Ltd.'s performance has been relatively stable, with net profit growing 24.98% in 2018 (Pratomo, 2019).

TM has played an essential role in the management of human resources. Increasingly fierce business competition and rapid technological developments require the availability of talented employees who have work skills that are consistent with company development. TM does not always connote an individualized development model, but instead refers to the form of organizational efforts and organizational interventions to enhance its capabilities in responding to variations in environmental influences that are dynamic and even difficult to predict.

Problem Statement

Based on the initial interview with the management of Adhi Karya Ltd. Kalimantan Construction Division V as a place of study, two factors reinforce the need for TM:

1. Management realized that not all employees were in line with the skills and criteria needed by the company, while the company required human resources who were truly qualified for the progress of its business. The company needed to manage and maintain potential human resources so they would be loyal to the company.

Table 1 shows very low turnover – maximum 3 employees per year from 145 employees in 2017 – a loss of 2% in that year, thus Adhi Karya Ltd. can be used as an example for other SOEs and private companies in managing talented employees.

Table 1: Number of employee resignations in Adhi Karya Ltd. Kalimantan Construction Division V

No	Year	Number of Employees	Resign
1	2014	162	2
2	2015	162	2
3	2016	146	1
4	2017	145	3

The intensity of competition and price war in the construction industry forced Adhi Karya Ltd. to re-define its vision and mission to become an “Innovative and Cultured Corporation for Sustainable Growth”.

In order to solve the human resource management problem and to achieve the company's vision, Adhi Karya Ltd. implements the TM program to improve employee performance. With TM, companies can strategically recruit, retain and develop potential human resources for the company to increase company competitiveness, since there is a positive relationship between organizational commitment and desired outcomes, including high performance, low employee turnover, and low absenteeism (Luthans et al., 2015).

Human resource management is crucial for a company. In order to gain employee commitment to a company, a company must be able to direct and develop the capabilities, expertise and talents of its employees. Weaknesses in managing HR will have fatal consequences for companies, such as losing potential employees because they are attracted to other companies that are perceived to be more promising. TM is a strategic way to manage the talent of human resources to increase organizational commitment and reduce turnover intention. TM is the process of identifying, developing, recruiting, retaining, and distributing talented people within the organization (Armstrong & Taylor, 2017). Through effective TM practices, employees feel considered as part of the company, and this will increase employee commitment to the organization.

Talent management covers the process of managing human resources from the recruitment process to the selection of reliable human resources because their talents are expected to contribute to organizational performance. Talent management is not a single concept but instead consists of several components that reflect the concept, and the components are adapted to the work environment situation (Jyoti & Rani, 2014).

Based on the evaluation of Adhi Karya Ltd., there are some practices in the management of its human resources as components of the TM concept. These practices are not sequential, and they may act independently, yet related to each other:

- (a) Human resources identification, who are reliable and potential in achieving the company's vision. This practice includes the planning of human resources' needs;
- (b) The practice of retaining employees through an external recruitment program FGDP (Fresh Graduate Development Program). In this program, a fresh graduate is developed to become a project engineering manager or Level 2 project manager. There is also an internal recruitment program GEDP (Great Employee Development Program). GEDP is for contracted employees (temporary employees) to be developed into project Level 2 permanent employees (project construction manager or project engineering manager). In addition, there is the CMDP (Construction Manager Development Program) and PMDP (Project Manager Development Program). CMDP is both an

external and internal recruitment program for employees to be developed into a Project Construction Manager (Level 2 project). PMDP is the highest development program among four programs, i.e., developing Level 2 employees (Construction Manager or Project Engineering Manager) to Level 1 project manager.

Those practices of retaining potential employees are in the context of fulfilling human resource planning within the project structure as follows:

Level 1: Project Manager

Level 2: Construction Manager; Engineering Manager; Quality, Health, Safety and Environment (QHSE) Manager, and Financial Manager

Level 3: Project Planning, Project Control, Project Finance & Accounting, Supervisors, Surveyors, Procurement, HSE

Level 4: Cost Control, Drafter, Quantity, Quality, Laboratories, Warehouse Administration, Supervisor Assistant, Surveyor Assistant.

(c) Training is regularly conducted to develop employees' technical abilities. The development of the ADHI Learning Center (ALC) has become the main focus of the Human Resource Capital (HRC) Division to hone and develop employee capabilities. The construction of the ALC as an ADHI internal employee education and training center in 2011 enabled the HRC Division to focus more on internal training. Training curriculum materials are made following the job description of each position so that employees become more competent in carrying out their functions. Training modules consist of hard skill materials to fulfill personal gaps. A personal gap is a comparison between job requirements to employee's current capabilities. After that, ALC conducts a post-training evaluation to ensure the understanding of the materials given; and

(d) Management of an employee's career is based on their potential talents. There are two career paths offered by Adhi Karya Ltd.: career development through specialist channels and managerial channels. Adhi Karya Ltd. provides career opportunities that are sustainable as long as employees perform optimally.

All of the above practices are in line with the Talent Management model from (Mangusho et al., 2015), which consists of four components: Talent Retention, Talent Attraction, Learning and Development, and Career Management.

(Rachel et al., 2015) asserted that TM is beneficial both for employees as well as organizations. Through TM, employees benefit from motivation, commitment, job satisfaction, knowledge enhancement, and career development, whereas organizations benefit from higher productivity, low employee turnover rates, and employee commitment that leads to attaining business goals. (Kusumowardani & Suharnomo, 2016) showed that TM has a positive impact on Organizational Commitment while having a negative impact on Turnover Intention. (Bethke-Langenegger et al., 2011) and (Abazeed, 2018) found that TM strategies significantly influence Organizational Commitment.

The effect of TM on Turnover Intention has been concluded from (Kidanie, 2017) and (Kekgonegile, 2014) research which shows that TM has a negative influence on employees' Turnover Intention. Employees benefit from the level of motivation, commitment, job satisfaction, increased knowledge and career development. Organizations benefit from higher productivity levels, low employee turnover and employee commitment that leads to the achievement of company goals (Rachel et al., 2015). At Adhi Karya Ltd. every year some employees resign and move to other companies. Although the number is still relatively small, it is feared that if there is no effort to reduce the level of turnover, in the future, the number will increase.

RESEARCH OBJECTIVES

This study aimed to examine the effect of TM components, i.e., Talent Retention, Talent Attraction, Learning and Development, and Career Management on Organizational

Commitment and Turnover Intention of Adhi Karya Ltd Kalimantan Construction Division V.

Research hypotheses were as follows:

- H1: Talent Retention has a positive effect on Organizational Commitment
- H2: Talent Retention has a negative effect on Turnover Intention
- H3: Talent Attraction has a positive effect on Organizational Commitment
- H4: Talent Attraction has a negative effect on Turnover Intention
- H5: Learning and Development has a positive effect on Organizational Commitment
- H6: Learning and Development has a negative effect on Turnover Intention
- H7: Career Management has a positive effect on Organizational Commitment
- H8: Career Management has a negative effect on Turnover Intention

Hypotheses H1 through H8 are illustrated in Fig.1.

TALENT MANAGEMENT PRACTICES

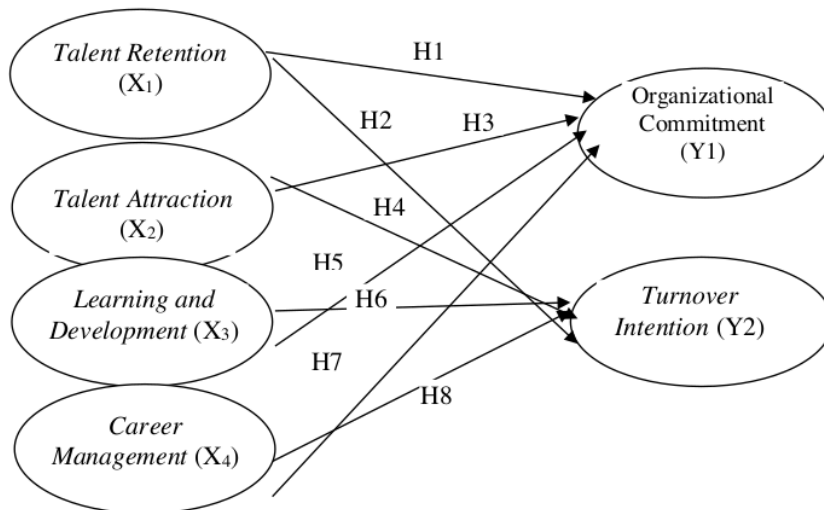


Figure 1: The Effect of Talent Management Practices on Organizational Commitment and Turnover Intention

MATERIALS AND METHODS

The population in this study was all 138 employees of Adhi Karya Ltd. Kalimantan Construction Division V. All employees became respondents with saturated sampling techniques. The questionnaire was used to collect data in this study. In order to measure the variables, this study used a Likert scale with scores ranging from 1 (strongly disagree), 2 (disagree), 3 (doubtful), 4 (agree), and 5 (strongly agree). Structural Equation Modeling (SEM) data analysis techniques were used to analyze all quantitative data. The SEM steps are as follows:

a. Measurement Model Development

The steps of developing theoretical/measurement models are based on a series of scientific exploration through

literature review in order to obtain justification for the theoretical model to be developed. SEM is used to confirm the theoretical model through empirical data. SEM is a confirmatory technique. This technique tests new theories or theories that have been developed and which will be empirically tested again. The operational variables used in this study including their indicators, are described as follows:

Talent Retention is the process of retaining talented employees in the organization for a more extended time. Talent Retention indicators include Succession Planning, Career Development, and Motivation (Knott, 2016).

Talent Attraction is related to the company's ability to attract talented human resources. Indicators of talent attraction include Recruitment and Selection, Employee

Branding, Employee Value Propositions, and Employee Selection (Karuri, 2015).

Learning and Development is a human resource management activity that focuses on the process of improving employee skills and attitudes through training and development. Indicators of Learning and Development include Competency Gaps Identification, Employee Training, and Career Development Programs (Yener et al., 2017).

Career Management shows how an organization designs, implements, prepares, and controls career development programs of the employees. Indicators of Career Management include Career Paths, Employee Career Progress, and Employee Career Development (Karuri, 2015).

Organizational Commitment is a condition in which an employee sides with the organization and its objectives, and intends to maintain membership in the organization. Indicators of Organizational Commitment include Affective Commitment, Continuance Commitment, and Normative Commitment (Allen et al., 2010).

Turnover Intention shows the tendency of attitude or the degree to which an employee might leave the organization or voluntarily resign from his job. Indicators of Turnover Intention are Thinking of Resign, Searching for Job

Vacancies, and the Possibility of Changing Job (Ncube, 2016).

b. Development of Path Diagram

The theoretical/measurement model that has been built in the first stage will be illustrated in a path diagram, which will make it easier to see the causality relationships to be tested. In a flowchart, the relationships between constructs will be expressed through arrows. A straight arrow indicates a direct causal relationship between one construct and another. Exogenous variables in this study included Talent Retention, Talent Attraction, Learning and Development and Career Management. The endogenous variables in this study were Organizational Commitment and Turnover Intention.

c. Evaluation of Goodness of Fit

At this stage, the suitability of the model will be tested through a review of various goodness of fit criteria. The following are some indexes of suitability and cut-off values to test whether a model can be accepted or rejected (Ferdinand, 2006). The indices used to test the feasibility of a model are shown in Table 2.

Table 2: The Goodness of Fit Criteria

The Goodness of fit index	Cut-off value
X ² Chi-square	Expected smaller
Probability Significance	≥ 0.05
RMSEA	≤ 0.08
GFI	≥ 0.90
AGFI	≥ 0.90
CMIN/DF	≤ 2.00
TLI	≥ 0.95
CFI	≥ 0.95

d. Structural Model Testing: Research Hypotheses Test

In order to examine the effect of exogenous variables, namely Talent Retention, Talent Attraction, Learning and Development, Career Management, on endogenous variables of Organizational Commitment and Turnover Intention, the tabulated data was applied to the research approach by path analysis, where the diagram paths are graphical representations of how some of the variables in a model relate to each other, providing an overall view of the structure of the model. In general, the construction of a path diagram is essential in SEM. Several advantages of using the SEM method are it can describe the effect of research variables simultaneously, partially, directly, and through intervening variables. SEM may also help in comparing the size of direct and indirect effects.

The next stage is the regression weight/loading factor test. This test is carried out on:

1) Hypothesis in measurement model:

Lambda parameter (λ), which is a parameter relating to the measurement of latent variables based on manifest variables (related to instrument validity). Hypothesis tested:

H₀ : $\lambda_i = 0$ (not significant)

H₁: $\lambda_i > 0$ (significant)

2) Hypothesis in structural models:

i. Beta parameter (β), which is the parameter of the influence of exogenous variables on endogenous variables in the structural model.

Hypothesis tested:

H₀: $\beta_i = 0$ (not significant)

H₁: $\beta_i \neq 0$ (significant)

ii. The Gama parameter (γ), which is the parameter of the effect of exogenous variables on endogenous variables in the structural model.

Hypothesis tested:

H₀: $\gamma_i = 0$ (not significant)

H₁: $\gamma_i \neq 0$ (significant)

This test is similar to t-test (partial test) in multiple regression since this test is done by comparing the calculated t-value with t-table, with the following provisions:

If t arithmetic > t table it means that the variable is significant and

if t arithmetic $\leq t$ table it means that the variable is not significant. Ferdinand (2006) explains that t arithmetic is identical to C.R (critical ratio) tested with a probability value of p , where if $p < 0.05$ indicates a significant effect and if $p > 0.05$ indicates not significant (Ferdinand, 2006).

RESULTS AND DISCUSSIONS

From the distribution of 138 questionnaires to the entire study population, this study obtained the final result of 107 respondent data (77.54% response rate) with characteristics shown in Table 3.

Table 3: Characteristics of Respondents

Characteristics	Number	Percentage
Gender		
Male	101	94.39%
Female	6	5.61%
Age		
20 – 29 year	27	25.23%
30 – 39 year	26	24.30%
40 – 49 year	38	35.52%
50 – 60 year	16	14.95%
Education		
High School	26	24.30%
Diploma	12	11.21%
Bachelor's degree	65	60.75%
Master Degree	4	3.74%
Tenure		
< 1 year	6	5.61%
1 - 5 year	22	50.56%
> 5 year	79	73.83%
Job Position		
Division management	5	4.67%
Project management	22	20.56%
Project/division staff	80	74.77%

Results of Structural Equation Modeling (SEM)

SEM consists of 2 models, namely the measurement model (outer model) and the structural model (inner model). Using SEM, this study conducted three analysis activities simultaneously, i.e., 1) Confirmatory Factor Analysis, 2) Path Analysis, and 3) Goodness of fit.

The Goodness of Fit (GOF) Test

In Table 4, the calculated Chi-Square value is greater than the Chi-Square table ($279.564 > 166.415$), and the Chi Square probability = $0.000 < 0.05$ (Poor Fit Model), $CMIN/DF = 1.941 < 2.000$ (Model Fit), $RMSEA$ value = $0.094 > 0.080$ (Marginal Good Fit), GFI value = $0.771 < 0.9900$ (Poor Fit Model); $TLI = 0.882 < 0.950$ (Poor Fit Model); $CFI = 0.900 < 0.950$ (Marginal Fit Model, tends to approach 0.950) and $IFI = 0.902 < 0.950$ (Marginal Fit Model, tends to approach 0.950).

Table 4: Evaluation of Structural Model (Before Model Modification)

The Goodness of Fit Index	Cut-off value	Result	Note
Chi-Square	<166.415	279.564	Poor Fit
Probability	> 0.050	0.000	Poor Fit
CMIN/DF	< 2.000	1.941	Good Fit
RMSEA	< 0.080	0.094	Marginal fit
GFI	> 0.900	0.771	Poor Fit
TLI	> 0.950	0.882	Poor Fit
CFI	> 0.950	0.900	Marginal Fit
IFI	> 0.950	0.902	Marginal Fit

The Goodness of Fit test results in Table 4 indicated that there was only one criterion that was Good Fit (CMIN/DF);

therefore, it was necessary to modify the model based on the recommended AMOS output in the modification indices

section. After modifying the model, the Goodness of Fit (GoF) results are shown in Table 5, with one GoF having marginal fit (GFI=0.868). Overall, all criteria were a good fit.

These results indicated that the constructed SEM model was feasible and acceptable.

Table 5: Evaluation of Structural Model Fit (After Model Modification)

The Goodness of Fit Index	Cut-off value	Result	Note
Chi-Square	<166.415	164.109	Good Fit
Probability	> 0.050	0.064	Good Fit
CMIN/DF	< 2.000	1.189	Good Fit
RMSEA	< 0.080	0.042	Good Fit
GFI	> 0.900	0.868	Marginal Fit
AGFI	> 0.950	0.976	Good Fit
CFI	> 0.950	0.981	Good Fit

Measurement Model

The purpose of the measurement model is to describe which indicators have the dominant influence as a direct measure of latent variables. Evaluation of the measurement model

can be done by looking at the most dominant loading factor or weight factor estimation results by ranking each factor weight, ranking 1 is the most dominant indicator (see Table 6).

Table 6: Summary of Measurement Model Evaluation

Latent Variable	Manifest Variable	Weight Factor	
		Loading Factor	Rank
Talent Retention (X1)	X1_1 <--- X1	0.811	1
	X1_2 <--- X1	0.639	3
	X1_3 <--- X1	0.785	2
Talent Attraction (X2)	X2_1 <--- X2	0.716	4
	X2_2 <--- X2	0.847	1
	X2_3 <--- X2	0.776	2
	X2_4 <--- X2	0.772	3
Learning and Development (X3)	X3_1 <--- X3	0.691	3
	X3_2 <--- X3	0.796	1
	X3_3 <--- X3	0.758	2
Career Management (X4)	X4_1 <--- X4	0.713	3
	X4_2 <--- X4	0.873	1
	X4_3 <--- X4	0.768	2
Organizational Commitment (Y1)	Y1_1 <--- Y1	0.820	3
	Y1_2 <--- Y1	0.854	2
	Y1_3 <--- Y1	0.910	1
Turnover Intention (Y2)	Y2_1 <--- Y2	0.943	2
	Y2_2 <--- Y2	0.948	1
	Y2_3 <--- Y2	0.928	3

Based on Table 6:

1. The best indicator of the Talent Retention variable (X1) was X1.1 (Succession Planning) with the highest loading factor = 0.811.
2. The best indicator of the Talent Attraction variable (X2) was X2.2 (Employer Branding) with the highest loading factor = 0.847.
3. The best indicator of the Learning and Development variable (X3) was X3.2 (Employee Training) with the highest loading factor = 0.796.

4. The best indicator of the Career Management variable (X4) was X4.2 (Employee Career Progress) with the highest loading factor = 0.873.
5. The best indicator of the Organizational Commitment variable (Y1) is Y1.3 (Normative Commitment) with the highest loading factor = 0.910.
6. The best indicator of the Turnover Intention (Y2) variable is Y2.2 (Searching for Job Vacancies), with the highest loading factor = 0.948.

Hypotheses Testing Results

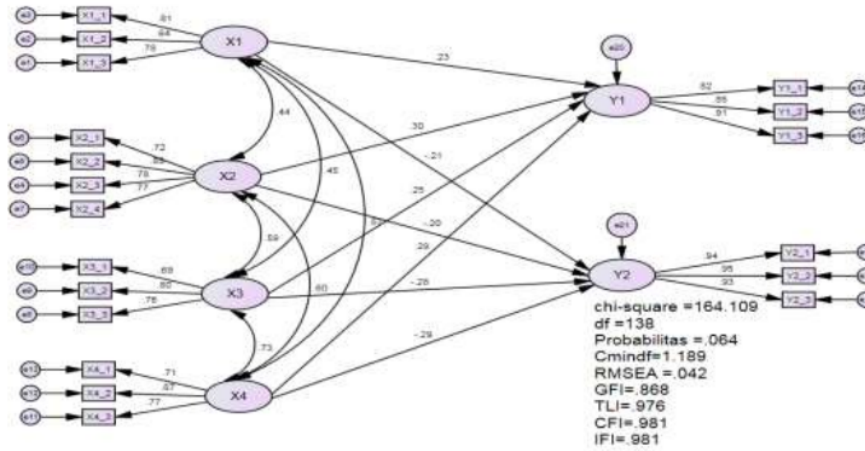


Figure 2: SEM Path Diagram (Outer and Inner Models)

Fig. 2 shows causal relationships among research variables.

Based on Fig. 2, the values of hypotheses testing are presented in Table 7:

Table 7: Hypothesis Testing Results (Direct Effects)

Effect between Latent variables		H	Path Coefficient (β)	Sig	Decision on Research Hypothesis
Exogenous Variable -->	Endogenous Variable				
X1	--> Y1	H ₁	0.229	0.014	H _a accepted: β ₁ ≠ 0 Positive effect
X2	--> Y1	H ₃	0.296	0.002	H _a accepted: β ₂ ≠ 0 Positive effect
X3	--> Y1	H ₅	0.253	0.046	H _a accepted: β ₃ ≠ 0 Positive effect
X4	--> Y1	H ₇	0.293	0.029	H _a accepted: β ₄ ≠ 0 Positive effect
X1	--> Y2	H ₂	-0.207	0.032	H _a accepted: β ₅ ≠ 0 Negative effect
X2	--> Y2	H ₄	-0.197	0.048	H _a accepted: β ₆ ≠ 0 Negative effect
X3	--> Y2	H ₆	-0.281	0.036	H _a accepted: β ₇ ≠ 0 Negative effect
X4	--> Y2	H ₈	-0.290	0.039	H _a accepted: β ₈ ≠ 0 Negative effect

DISCUSSION

Effect of Talent Retention on Organizational Commitment

Talent Retention (X1) had a positive effect on Organizational Commitment (Y1), which means better Talent Retention practices will increase Organizational Commitment. This result supports Abazeed's study (Abazeed, 2018). Talented employees will enable a company to be more competitive within its industry. Therefore, companies should retain talented employees based on company needs and foster employee loyalty to the company.

Based on the analysis, the best indicator of the Talent Retention variable was X1.1 (Succession Planning). If management wants to increase Talent Retention, then it should prioritize Succession Planning. Succession Planning is a company's effort to keep employees with the best potential. It is about planning human resources to fill leadership positions in the future by identifying and developing talented employees.

Effect of Talent Attraction on Organizational Commitment

Talent Attraction (X2) had a positive effect on Organizational Commitment (Y1), which means better

Talent Attraction practices will increase employees' commitment to an organization. This study supports research conducted by Bethke-Langenegger et al (2011) and R.A.M. Abazeed (2018) which showed that Talent Attraction had a significant influence on Organizational Commitment. Talent Attraction is related to the company's ability to attract talented human resources. The greater awareness of the company on the importance of talented employees who are fit into company needs makes the company more competitive to get highly talented employees, both by searching from outside the company and from the results of training and succession planning. The lack of talent pool is a serious matter for the future growth of the organization. Thus, recruiting and retaining people who have talents becomes essential. Companies must have the right techniques in their efforts to attract talented employees. According to Karuri (2015), several things can be done in the Talent Attraction practices, including Recruitment and Selection, Employer Branding, and Employee Value Propositions.

Based on the analysis results, it is known that the best indicator of the Talent Attraction variable was X2.2 (Employer Branding). Employer Branding is the development of an organization's image to attract employees. Without an excellent corporate image, it is difficult to attract employees with the right talent. It is pride for someone to work in a well-known company with a good reputation, and this would become one of the company's attractions to recruit talented employees and makes employees proudly work in the company, thus increasing employees' commitment to the organization.

Effect of Learning and Development on Organizational Commitment

Learning and Development (X3) had a positive effect on Organizational Commitment. This result supports a study by Devi (2017) and R.A.M. Abazeed (2018) showing that Talent Development as a component of Talent Management, had a significant influence on Organizational Commitment. Better Learning and Development practices would increase organizational commitment.

Based on the analysis, the best indicator of Learning and Development was X3.2 (Employee Training). If a company wants to improve Learning and Development practices, then it should prioritize trainings which are needed by employees. Training is a company's effort to improve employee performance at all levels of the organization, to obtain and develop knowledge, skills, and attitudes of employees in order to achieve company goals/vision. Training is important in that it not only enhances employee capability, but also employee morale, including employee commitment to the company. If management wants to increase the value of Learning and Development, then it should prioritize improvement in employee trainings. It may include selecting the most suitable training materials and training provider, and providing proper training facilities.

Effect of Career Management on Organizational Commitment

Career Management (X4) had a positive effect on Organizational Commitment (Y1). The result of this study is consistent with the result of the study of Mangusho et al (2015) that Career Management could increase employee commitment.

Based on the analysis, the best indicator of the Career Management variable was X4.2 (Employee Career Progress) because it has the highest loading factor (0.873). Therefore, if the company wants to improve Career Management, then it should prioritize Employee Career Progress. A company should support employee career advancement. Management should act fairly in assessing highly skilled employees. Career management support can be seen as a form of organizational support felt by employees, and the existence of this support will increase employee commitment to the company.

Effect of Talent Retention on Turnover Intention

The Talent Retention variable (X1) had a significant value of 0.032, less than 0.05, so H_0 was rejected and H_a accepted, meaning that Talent Retention affected Turnover Intention. Path coefficient value -0.207 showed that Talent Retention had a negative effect on Turnover Intention, which means better Talent Retention will reduce Turnover Intention. The results of this study support the results of Kelebogile Kekgonigile (2014) research that Talent Retention as a component of Talent Management had a significant influence on Turnover Intention.

Talent Retention can be done through Succession Planning, Career Development and Motivation. The results of the analysis show that the best indicator of the Talent Retention variable was X1.1 (Succession Planning) because it had the highest loading factor (0.811). It indicates that if the company wants to increase Talent Retention (X1), it should prioritize the Succession Planning indicator (X1.1). Talent Retention requires the company to improve the physical work condition, attitude and mentality of employees in order to continue to provide the best and loyal contribution, even during high work pressure to achieve company goals. According to Pella, Darmin & Afifah (2011), talented employees will be more interested in working for a company that values them and allows them to continue to climb the ladder of success. Talent Retention that can meet the needs of employees will make employees more loyal to a company. Likewise, Budu (2016) also found that career development had a significant effect on the desire of employees to continue working in the company, thus reducing the level of Turnover Intention.

Effect of Talent Attraction on Turnover Intention

The Talent Attraction variable (X2) had a significant value of 0.048, less than 0.05, so H_0 was rejected, and H_a was accepted, meaning that Talent Attraction influences Turnover Intention. The path coefficient value -0.197 indicated that the Talent Attraction variable has a negative effect on Turnover Intention (Y2). The results of this study support the results of Kidanie (2017) research which proved that Talent Management practices affect employee

Turnover Intention, where the essential component was the company's ability to attract talented employees according to company needs. Likewise, Dunmade & Kadiri (2018) found that Talent Attraction had a significant influence on labor turnover.

The analysis showed that the best indicator of the Talent Attraction variable was X2.2 (Employer Branding) because it had the highest loading factor (0.847). It indicates that if the company wants to increase Talent Attraction (X2), it should prioritize the Employer Branding indicator (X2.2), which is the development of the organization's image to attract employees. According to Pella & Inayati (2011), quality talents must be valued because there are always other organizations ready to recruit them.

The Effect of Learning and Development on Turnover Intention

Learning and Development Variable (X3) had a significant value of 0.036, less than 0.05, so H_0 was rejected, and H_a was accepted, meaning that Learning and Development affected Turnover Intention. The path coefficient value -0.281 showed that the Learning and Development variable had a negative effect on Turnover Intention. The better Learning and Development practice will lesser Turnover Intention. The results of this study support the results of Long & Perumal (2014) research and Kekgonigile (2014) that the training and development program had a significant effect on employee turnover intentions. Therefore, managers must pay attention to the right method to improve the ability of employees and ensure that the method can provide benefits to the company as well as effective in training employees.

The analysis shows that the best indicator of the Learning and Development variable was Employee Training. It indicates that if the company wants to improve Learning and Development, it should prioritize the Training for Employees indicator (X3.2). According to Pella & Inayati (2011), the education and training process is related to how organizations develop employees by providing opportunities to improve their skills to meet current and future business priorities. This includes how organizations invest in development programs that respond to employees' career needs and maximize their potential.

When employees become more developed, they will feel more satisfied with their work, more dedicated to their work so that it will improve their performance (Champathes, 2006). This condition will certainly make employees feel comfortable at work and not want to leave the company. It is found from the results of this study that Learning and Development had a significant effect on Turnover Intention and it is also known that the effect of Learning and Development on Turnover Intention was negative, which indicates that better Learning and Development program by the company will reduce the level of Turnover Intention. According to Handoko (2018), training and development programs were expected to increase the efficiency and effectiveness of employees' work in achieving work targets that had been set. Although this effort takes time, in the end, it will reduce labor turnover and result in more productive employees.

The Effect of Career Management on Turnover Intention

Career Management variable (X4) had a significant value of 0.039, less than 0.05, so H_0 was rejected and H_a was accepted, meaning Career Management affected Turnover Intention. The path coefficient -0.290 showed that the Career Management variable (X4) had a negative influence on Turnover Intention (Y2) means better Career Management (X4) will reduce Turnover Intention (Y2).

The analysis shows that the best indicator of Career Management variables was X4.2 (Employee Career Progress) because it had the highest loading factor (0.873). The result indicates that if the company wants to improve Career Management (X4), it should prioritize the Employee Career Progress indicator (X4.2). Career management is about providing opportunities for people to improve and develop their careers and ensure that the organization has the flow of talent needed (Armstrong & Taylor, 2017). Career Management programs that pay attention to the career advancement of employees become one of the company's support to employees and this will make them feel valued as part of the company so that it will reduce or even eliminate the desire of employees to leave the company. Pella & Inayati (2011) argued that another benefit of companies with a good talent management program is being able to develop a public reputation for being an excellent place to work, as well as fostering the loyalty of employees who have worked in the company. Talented employees will also be more interested in working for a company that values employees and allows them to flourish and prosper.

CONCLUSIONS AND RECOMMENDATIONS

The results showed that Talent Management, which includes Talent Retention, Talent Attraction, Learning and Development and Career Management, has a positive effect on Organizational Commitment. Good Talent Management practices show the company's willingness to invest in human resource management that will increase employee commitment to the company. Conversely, Talent Management practices negatively affect Turnover Intention. In this case, the better the implementation of Talent Management, the lower the Turnover Intention level. Proper Talent Management shows the company's support for talented employees and as a form of appreciation from the company to the employees.

Managerial implications include that each talented employee must be given individual targets that are directly related to the company's goals. Linking employee goals to overall company goals helps to set expectations for performance and gives employees the context that is crucial to their work. Linking their individual goals with company goals helps employees understand how their daily work contributes to organizational success. Through the Learning and Development program, employees' talents and abilities will increase, and this will make employees valued as part of the company, thereby increasing their commitment to the company.

In the construction industry, the position of Project Manager is one of the critical positions in the company. In order to recruit a qualified Project Manager, management

must react quickly and efficiently. A construction company is possible to have open recruitment for the Project Manager because of high turnover within the industry. A qualified Project Manager will join a company that knows how to manage and implement the most satisfying work arrangements and increase productivity. It is therefore crucial for companies to carry out the Recruitment and Selection process effectively in order to get talented employees and is essential to make employees proud of working with the company as the company builds its reputation.

There are managerial implications for State-Owned Enterprises (SOEs) in general, such as SOEs need to pay attention to their human resource management strategies, especially in dealing with potential employees. Implementation of talent management at Adhi Karya Ltd. can be used as a benchmark, especially for some SOEs that are currently declining.

This study has several limitations including the research conducted only on the employees of Adhi Karya Ltd. Kalimantan Construction Division V. Generalization of research results will be better obtained if the sample or number of respondents is broadened to obtain information and more in-depth insights on this topic by comparing samples to several SOEs.

Future research should also compare a sample of workforce millennial generation of SOEs employees with older workforce generation. The characteristics of the millennial generation, which are very different from the previous generation, would undoubtedly be more interesting to study, especially when the researcher wants to observe the factors that influence commitment and turnover intention.

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