

The Influence of Talent Management and Work Life Balance on Employee Performance with Employee Engagement as Intervening Media

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Abstract:One of the most significant components in achieving company success is employee performance. The purpose of this study is to examine the impact of talent management and Work Life Balance on employee performance at PT. Permodalan Nasional Madani, using Employee Engagement as an intervening medium and an employee population dominated by the millennial generation. This study's population consists of PT. Permodalan Nasional Madani employees under the age of 42 in the Jakarta metropolitan area. Using the Structural Equational Modeling (SEM) method using IBM SPSS Amos 22 tools, the sample population is 231 respondents, or 25% of the millennial population in the Jakarta regional area. According to the findings of this study: 1) Talent Management has a positive and significant effect on millennial employee performance; 2) Work Life Balance has a positive and significant effect on millennial employee performance; 3) Talent Management has a positive and significant effect on millennial employee engagement. 4) Work-Life Balance has a positive and statistically significant effect on millennial employee engagement; 5) Employee engagement has a positive and statistically significant effect on millennial employee performance.

Keywords: Talent Management , Worklife Balance, Employee Performance, Employee Engagement.

I. INTRODUCTION

The strategic role of managing HR is interpreted as a link between the implementation of HR management and the company's organizational strategy to improve performance. In implementing this strategic role in managing HR, it means that HR management must be able to elaborate on all the capacities possessed by its employees or HR to serve as a competitive advantage for the organization. Human resources are one of the internal components that are critical to the company's success. According to Adiba (2016), "human resource management within a company is very important for balancing the needs of employees and the capabilities of the company. According to Simanjuntak (2005), there are three factors that can influence employee performance: First, there are individual variables, such as the capacity and abilities to conduct work, as well as motivation and work ethic. The two organizational support aspects, namely organizational support, provision of work facilities and infrastructure, comfortable environment, balance between work and outside work (work life balance), and working conditions and circumstances. The three factors of management support, namely in the form of a strategy in building work systems and industrial relations that are safe and harmonious, develop

employee competence, and motivate all employees to work optimally. The management support factor has piqued the interest of researchers (Lewis & Heckman, 2006), who argue that management support can begin with the recruitment process, employee placement, performance appraisal, training, and career development, and continue until the employee leaves the company. According to (Pella & Inayati, 2011), the results that can be obtained by companies by implementing a talent management strategy are "filling top management positions with quality people, so that companies do not need to doubt the performance of employees who will be appointed to be part of the company's top positions". This is in line with the theory put forward by Pratt, et al., which was quoted by Bakker & Bal (2010) explaining that "investment in the form of talent management can produce quality workers and produce work with high performance quality, so it can be seen that there is a link significant relationship between talent management and employee performance". Work-life balance involves a person's ability to manage the many demands in life simultaneously, where a person's level of involvement is in accordance with the dual roles of an employee (Hudson, 2005). According to Weerakkody et al. (2017), in order to function optimally, employees must be happy, and one source of employee happiness is family and personal life. As a result, work-life balance must be considered in order to assist people in performing productively. Stephen P. Robbins and Mary Coulter (2012: 396) state that, "employee engagement is when employees are connected to, satisfied with, and enthusiastic about their jobs". therefore, organizations are advised to equip employees so that employees have motivation, engagement and creativity in the work environment (Alegre and Pasamar, 2018). Based on several previous studies, it was found that the concept of work-life balance often has unclear meaning, does not have objective measurements, and has not been proven in exploring the life experiences of employees. (Crosbie & Moore, 2004). At the company where the research was conducted, an engagement survey is carried out every year as part of an important element in building company performance. Based on data from the last 3 years, the survey shows that the level of employee engagement is in the very satisfied category (Engaged). Based on previous research on the link between knowledge management and employee performance, one of which was carried out by Harmen (2018), the results of his research concluded that knowledge management had a positive and significant effect on employee performance. However, in this study the sample was not limited by age. et al. (2018) in his study found that companies must realize the importance of consistent work-life balance which concerns productivity, employee performance, and improving quality

of life. Previous research has found a link between employee engagement and performance, including Anton Rustono (2010), Shindie A, Muhammad S, and Lindawati (2015), Meida Rachmawati (2010), Nabilah Ramadhan (2013), Dwi Indah Retnoningtyas (2014), Siti Haerani (2013), and Hay Group (2001). However, only Francis Aprilian's research (2013) "Employee Engagement and Employee Productive Behavior" states that there is no influence between employee engagement on employee performance. The researcher raised the title "The effect of talent management and work-life balance on employee performance with employee engagement as a media intervention with case studies on millennials at PT.Permodalan Nasional Madani, Jakarta area" based on the phenomenon and Research Gap mentioned above, as well as several theoretical references.

II. LITERATURE REVIEW

A. Equity Theory

According to psychologist John Stacey Adams, equity theory assumes that humans want fair/comparable treatment, which is related to relational satisfaction in terms of views of fair/unfair distribution of resources in interpersonal interactions. The input-output ratio in organizations is the subject of balance theory. Input is our contribution to the organization; output is everything we gain from the organization. According to Wexley and Yukl in Sinambela (2016), performance is an implementation of the balance theory. According to him, a person will show optimal performance if he gets benefits and there is stimulation in his work in a fair and reasonable way (Indriasari et al., 2018). This theory is also able to explain when employees are satisfied with the perceived balance/fairness, employees will remain loyal to the organization. According to Puspitawati and Riana (2014) that when employees feel satisfied in various ways such as work-life balance, salary, talent management, supervision, then employees will have a high commitment to the organization and will have a positive and significant effect on employee performance.

B. Employee Performance

The Employee performance is interpreted as a response in the form of behavior that reflects what has been learned by employees or the type of training employees receive which includes the results of mental and psychological abilities (Faiza & Nazir, 2015). Where performance is a product of employee capacity, coupled with organizational system support, so that the reduction or absence of one factor will cause a decrease in employee performance (Pawirosumarto, Bachelor, & Muchtar, 2017). It was also explained that employee performance is related to the tasks carried out by employees effectively and efficiently, and also the employee's contribution to the organization such as the quantity of output, work attendance, and accommodative attitude displayed (Abualoush, Khaled Bataineh, & Aladwan, 2017). Employee performance is defined by Bohlander et al. (2001) as employees' ability to achieve their personal work goals, meet their expectations, meet standards, or achieve organizational goals. In addition, Naithani (2010) states that lower employee performance will be more difficult to improve work performance, if organizations ignore issues related to work-life balance and talent management.

Afandi (2018) defines performance as "the output that a person or group of people in a company can achieve according to their respective job descriptions in an effort to achieve organizational goals illegally, without violating the law, and without contradicting morals and ethics." Employee performance has an influence on how much they contribute to the company. Robbins (2006) revealed that performance is an assessment of the results of individual performance to create a result that meets expectations. Mangkunegara (2017) defines performance as output that has been achieved both in quality and quantity in doing work.

C. Employee Engagement

Employee engagement is defined as the emotional feelings employees have for the organization and the actions they take to ensure the organization's success; employees who are already attached to the company demonstrate concern, dedication, passion, accountability, and a focus on results, according to Allen in Sihombing (2018:19). Schiemann (2011:211) defines employee engagement in the form of a willingness to advocate on behalf of the company's place, this includes the willingness to promote the company, buy and even invest in the company. Robinson et al said that "engaged employees are aware of the company's business context and work with colleagues to improve performance in their work for the benefit of their company. From the above understanding, it can be said that employee engagement is a sense of enthusiasm at work and a willingness to advocate for the company and employees employees present physical, cognitive and emotional dimensions when working. Based on some of the opinions of the experts above it can be concluded that employee engagement is an attitude of employees in an organization that can act beyond what the organization expects of them, they are full of concern, dedication, enthusiasm, accountability, and focus. As well as the achievement of employee engagement, individual involvement, satisfaction, and enthusiasm for the work they do. Therefore the research draws these conclusions as a reference for employee engagement as an intervening medium in this study.

D. Talent Management

According to some experts, workers with exceptional skill have a strong potential to have a major impact on organizational performance. According to Lockwood (2006), talent management is the implementation of an integrated strategy or system made to increase workplace productivity through process improvements in employee identification, selection, recruitment, development, and retention by utilizing specific skills and talents in meeting current and future business needs. Rampersad (2006: 234) defines talent management as a strategy for efficiently managing talent within an organization, planning and developing succession within the business, achieving maximum employee self-development, and maximizing the use of talent. According to Pella and Inayati (2018), talent management can also be understood as a management strategy for controlling the flow of talent within an organization with the goal of ensuring the availability of talent supply to match the right workers with their right jobs at the right time based on the company's strategic goals and priority of company or company business activities. Researchers translated the statement made by Dixit

& Arrawatia (2018: 88) to read as follows: "Talent management is a functional unit of an organization that is used to increase employee productivity by using human resource planning." According to the various definitions listed above, talent management can be summed up as the implementation of an integrated strategy or system intended to increase workplace productivity by creating and improving procedures to recruit, train, and place employees in positions

that best suit their talents, as well as to retain and make use of employees who have the skills and talent necessary to meet present-day and future business demands.

E. Theoretical Framework

Based on these theory above, it could be described a theoretical framework for these titles as follows:

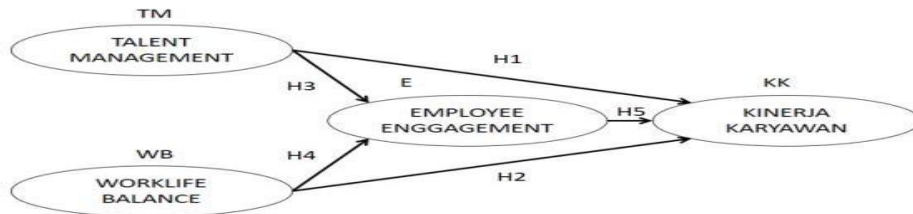


Fig. 1: Theoretical Framework

F. Hypothesis

The hypothesis of this cases that could be seen as in follows:

- H1: Talent Management has a positive and significant effect on employee performance
- H2: Work-Life Balance has a positive and significant effect on employee performance
- H3: Talent Management has a positive and significant effect on Employee Engagement
- H4: Work Life Balance has a positive and significant effect on Employee Engagement
- H5: Employee Engagement has a positive and significant effect on Employee Performance.

collecting data using research tools and quantitative data processing with the goal of testing established hypotheses by looking at specific populations or samples. The study's subject includes PT. Permodalan Nasional Madani research locations and is conducted for PNM employees under the age of 41 who work in PNM Branch Offices, which currently number 62 Branches, 642 UlaMM unit offices where the majority of employees are from the millennial generation, and 2683 Mekaar unit offices where the majority of employees are from the millennial generation. In order to conduct testing concurrently, the data analysis technique used in this study employed route analysis employing models of independent variables, intervening variables, and dependent variables.

III. METHODOLOGY

With descriptive research types, researchers adopted a quantitative research method approach. This method involves

When the validity test is carried out using path analysis in the Smart PLS program, the reliability and validity of the utilized questionnaire are both validly tested.

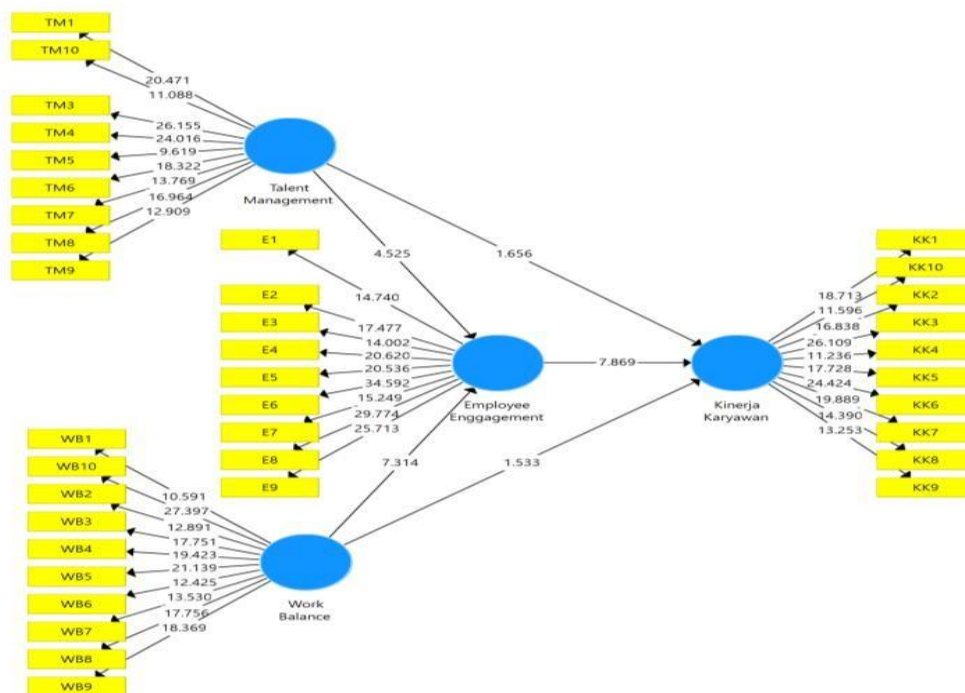


Fig. 2: Model SmartPLS Model Calculation Results

IV. RESULTS AND DISCUSSIONS

The calculations taken into account, the following stage is to evaluate the research's findings using the supplied hypotheses. The research findings are interpreted in the manner described below.

Based on the findings that Talent Management has no impact on performance, the impact of the Talent Management dimension on employee performance (H1). Employee performance is not directly impacted by talent management in the firm. This runs counter to earlier research by Octavia, et al. (2018), which found that talent management significantly and favorably affects employee performance. The findings of studies by Irtamieh et al. (2016) and Sadri et al. (2015), which showed that Talent Management has a considerable impact on Employee Performance, are also in contrast. This indicates that the implementation of talent management is insufficient to raise staff productivity. Good employee performance is influenced by a number of factors, and respondents indicated that challenges to talent management adoption in organizations still exist. These obstacles are related to management commitment, consistency in implementation, and talent management culture. Nisa (2016), who claims that Talent Management does not directly influence Employee Performance because its implementation is insufficient to raise Employee Performance, supports the findings of the study. The motivation and self-development of each individual contribute to good employee performance. As a result, effective employee performance is not dependent on the application of talent management to employees, but rather on each individual's own motivation and self-development, which have an impact on how well they perform.

Based on the findings that Worklife Balance has no impact on employee performance, the impact of this dimension on employee performance is examined (H2). Employee performance is not directly impacted by work-life balance. The findings of this study are consistent with those of Chiekezie et al.'s (2016) study, which found that employee performance is not impacted by work-life balance because targets are employed to raise performance. For fear of losing their employment, employees make every effort to achieve this goal. It is possible to conclude that work-life balance has no bearing on employee performance. Regardless of the existence of a work-life balance, employees still make an effort to perform well because they have goals to achieve. For fear of losing their employment, employees make every effort to achieve this goal. It is possible to conclude that work-life balance has no bearing on employee performance. Regardless of the existence of a work-life balance, employees still make an effort to perform well because they have goals to achieve.

Based on the findings of Talent Management, the influence of the Talent Management component on Employee Engagement (H3) has an impact. Employee Engagement is directly impacted by talent management. The findings of this study are consistent with research published in "Research of Talent Management Practices as a Strategy to Influence Employee Engagement and its Affect The Organization Performance" by Dian Putri, Made Subudi (2018), and Tusang & Tajuddin (2015). The findings of this study

demonstrate that Talent Management significantly improves Employee Engagement. These conclusions came from research that examined how talent management strategies are perceived as a means of influencing employee engagement. The study "Examining The Mediating Effect of Employee Engagement on The Relationship between Talent Management Practices and Employee Retention in The Information and Technology (IT) Organization in Malaysia" by Aliases et al. (2014). According to the analysis's findings, employee engagement is positively correlated with talent management strategies (managerial assistance, employee career development, and rewards and recognition). Employees will gain from successful talent management implementation, one of which is the creation of employee attachment to the company (Sule and Wahyuningtyas, 2016). Each employee needs to learn about employee engagement and their part in developing it and making it their responsibility. Every employee needs to be aware of the potential influence he has on the success of the business, his team, and his coworkers (Federman, 2009). The aim of achieving employee engagement, meaning growth and development, was also noted by Schiemann (2011). To be able to give staff members chances for advancement and development in order to significantly contribute to developing the greatest talent.

Based on the findings, the Worklife Balance dimension's impact on Employee Engagement (H4) is demonstrated. Worklife balance affects employee engagement. Employee Engagement is directly impacted by Worklife Balance. The findings of this study are consistent with those of Wijayanto,

W. dkk (2022) and Nurul, et al. (2018), who found that employee engagement is positively impacted by work-life balance. The adoption of work-life balance, which will ultimately connect to employee work-life balance and employee engagement, is directly correlated with this result, according to several research. Social exchange theory can be used to explain the connection between the implementation of work-life balance and employee engagement (Blau in Slack, Corlett, & Morris, 2014). According to this notion, workers who work for organizations that value them and give them opportunity will exhibit particular attitudes and actions. More precisely, employees have a propensity to return the favor when they are treated well, which helps both the employer and the workforce (Eisenberger, Stinglhamber, Vandenberghe, Sucharski, & Rhoades, 2002). The findings of this study can help businesses understand the extent to which work-life balance affects employee engagement. The involvement of employees can be influenced by paying attention to their wellbeing in both their personal and professional life. Companies can preserve structural stability, foster a positive work environment, allow for time flexibility when necessary, and offer training or skill upgrades to employees as ways to help them better balance their work and personal lives.

Based on the finding that employee engagement affects employee performance, the employee engagement dimension has an influence on employee performance (H5). Employee performance is directly impacted by employee engagement. Research by Markos and Sridevi (2010), which asserts that

employee engagement has an impact on corporate performance, further supports the link between employee engagement and company performance. Employee engagement has an impact on both company performance and individual employee performance, as individual employee performance essentially determines company performance. Performance of employees is directly impacted favorably by work engagement. Accordingly, employee performance increases when work engagement increases (Qodariah, 2019). According to Kahn (in Crawford, E. R., LePine, J. A., & Rich, 2010), job engagement is a key to understanding the relationship between an individual's traits and organizational elements that affect employee performance. According to research done by Breevaart et al. (2015), employee performance is positively impacted by work engagement. Work engagement will rise if subordinates uphold the current performance standards, follow rules correctly, and exert greater effort. According to research by Alfes et al. (2016), excellent employee performance is positively correlated with work engagement. Additionally, Chairuddin et al.'s (2015) research findings demonstrate that employee performance is significantly impacted by work engagement.

V. CONCLUSION AND SUGGESTIONS

A. Conclusion

based on the findings of the analysis and discussion of how talent management, work-life balance, and its effects on employee performance affect employee engagement. Consequently, the following conclusions from this study can be made:

- With a P-value of 0.101, which is higher than 0.10, the Talent Management variable has an impact on employee performance that is positive but not significant. The first hypothesis (H1) is thus disproved. Therefore, the talent management services offered cannot have an impact on worker performance. The findings of this study are in conflict with other studies by Octavia, et al. (2018), Irtamieh, et al. (2016), and Sadri, et al. (2015) but are consistent with Nisa's (2016) finding that Talent Management does not directly affect Employee Performance.
- P-value of 0.128, which is higher than 0.10, indicates that the Worklife Balance variable has an impact on employee performance that is both favorable and insignificant. The second hypothesis (H2) is thus disproved. Therefore, the Worklife Balance offered cannot have an impact on employee productivity. The findings of this study are consistent with those of Chiekezie et al. (2016), who found that using targets to raise performance levels prevents work-life balance from having an impact on worker output.
- With a P-value of 0.000, which is less than 0.10, the Talent Management variable has a positive and substantial impact on Employee Engagement. The third hypothesis (H3) is therefore accepted. This indicates that Employee Engagement is impacted by Talent Management. This study's findings are consistent with those of Dian Putri, Made Subudi (2018), Tusang & Tajuddin (2015), and Alias, et al. (2014).
- With a P-value of 0.000, which is less than 0.10, the Worklife Balance variable has a positive and significant impact on employee engagement. The fourth hypothesis

(H4) is therefore accepted. Therefore, Worklife Balance has an impact on Employee Engagement. This study's findings are consistent with those of Wijayanto, W. dkk (2022) and Nurul, et al. (2018).

- Where the P-value is less than 0.000, the Employee Engagement variable has a positive and significant impact on Employee Performance. It follows that the fifth hypothesis (H5) is true. Therefore, employee performance is impacted by employee engagement. The findings of this study are consistent with those of studies by Chairuddin et al. (2015), Markos et al. (2016), Breevaart et al. (2015), Qodariah, 2019, and Alfes et al. (2016).

B. Suggestions

In the study, limitations could still be found, including that in this study the sample used was limited to only 231 respondents in the Jakarta area with a millennial population, not including all employees at PT. Permodalan Nasional Madani. The variables studied are limited, actually there are many other factors that can be used as research variables related to job satisfaction and employee performance factors. According to the observations of researchers, there are answers to questionnaires from respondents who are less consistent. This is due to the lack of accuracy of the respondents in answering the questionnaire. However, this can be mitigated by efforts to distribute questionnaires manually and provide direct assistance to respondents so that respondents can answer each question properly.

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