

## **Talent Management Implementation as a Step Towards Creating a Competitive Advantage for The Company**

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### **ABSTRACT**

*Organisations face problems in personnel management in this dynamic and competitive business environment. For businesses that function at an international level, talent management is becoming increasingly important. Bank Rakyat Indonesia (BRI) needs competent and qualified human resources, especially in this era of globalisation. Human resources are one of the most important assets owned by the company, because no matter how much the company produces capital but if it is not in motion by human labour, it will not be an added value for the company. Data collection is done with a qualitative approach that tries to get a better understanding of the complexity in human interaction. Bank Rakyat Indonesia (BRI) needs competent and qualified human resources, especially in this era of globalisation. Human resources are one of the most important assets owned by the company, because no matter how much the company produces capital but if it is not in motion by human labour, it will not be an added value for the company. Career development based on performance management refers to the provisions governing the career path of workers. Mutations are carried out based on the needs of the company, the length of service of workers in a particular work unit and the performance of the workers concerned. In performance management, Bank BRI assesses performance from 2 (two) sides, namely the achievement of key performance indicators (KPIs) and the achievement of competencies with the aim that HR performance evaluation measures in a balanced manner what must be achieved and how to achieve it. The stages of Bank BRI's performance management system are also systematically designed consisting of planning, guidance and evaluation.*

**Keywords :** *competence; human resources; talent management.*

### **INTRODUCTION**

According to the Law of the Republic of Indonesia Number 119 of 2003 concerning State-Owned Enterprises, SOEs (State-Owned Enterprises) are companies established managed by the state to carry out operational activities in the industrial sector and strategic businesses. The Indonesian government established SOEs for one of its main purposes, namely economic purposes. In economic purposes, SOEs are intended to manage strategic business sectors so that they are not controlled by certain parties. Areas of business that concern the lives of many people, such as electricity companies, agro-business and agro-industry, oil and gas and many others. With the existence of SOEs, it is hoped that there will be an increase in the welfare of the community, especially the community around the location of SOEs (Purba et al., 2020).

Bank Rakyat Indonesia (BRI) is one of the state-owned companies in the banking sector. the establishment of BRI was originally in Purwokerto, Central Java by Raden Bei Aria Wirjaatmadja on 16 December 1895. After Indonesia's independence, Government Regulation No. 1 of 1946 Article 1 stated that BRI is the Government Bank of the Republic of Indonesia. Bank BRI was established for The services offered by BRI are increasingly diverse such as savings and loans, credit, investment and more. The service categories also vary, ranging from segments for children, students, teenagers, to retirees. With the company's business orientation which includes savings and loans, credit, investment and more. According to Alvianisari (2017), it is important to prioritise human resource management that focuses on the implementation of targeted talent management, and the formation of good teamwork, so as to create optimal performance in its employees.

Bank Rakyat Indonesia (BRI) needs competent and qualified human resources, especially in this era of globalisation. Human resources are one of the most important assets owned by the company, because no matter how capable the company produces capital but if it is not in motion by human labour, it will not be an added value for the company (Amani, 2018). In the company, employees are assets from the human resource aspect that the company must maintain. Therefore, companies are required to optimise employee performance so that it can be maximised (Lestari,

2019). Performance itself is the implementation of a plan that has been prepared, the implementation of performance is carried out by human resources who have the ability, competence, motivation and interest. According to Gultom (2015) in the results of his research, it is concluded that performance is a result of work that can be achieved by a person or group of people in an organisation, according to their respective authorities and responsibilities, in order to achieve organisational goals, legally concerned, not violating the law and in accordance with morals and ethics, therefore performance is an important factor in the productivity of an employee in an organisation.

Human resources are an important thing in any business activity because the quality of these things determines the performance of a company. Larasati (2018) in her research revealed that the management and development of human resources is an investment for the company because costs are needed to support this, but in line with this, the benefits obtained by the company are also great because the workers and employees they have become professional and reliable in doing all the work in the company. Thus, the management and development of human resources determines the success of a company or business unit, especially in the era of globalisation where competitors not only come from within the country, but also come from abroad who participate in enlivening and competing. This increasingly tight competition is what makes an organisation must have quality human resources in the company so that it has a good production process. The process of developing and managing human resources is one of the keys to the success of the company in order to increase the competition of the company itself and improve the performance of employees of the company.

Efficient management of human resources will be able to achieve organisational goals. Operationally, organisational objectives include social objectives, organisational objectives, functional objectives, and personal objectives. A human resources department must have the ability to develop, use, and maintain human resources so that organisational functions can run in balance. One way to manage human resources is to implement talent management. According to Davis, talent management is a planned and structured corporate approach to recruiting, retaining and developing talented people to improve their performance in the organisation. Based on this definition, it can be seen that talent management is very important for companies to be able to manage highly talented human resources who can build the company to continue to achieve the company's vision. In addition, through the formation of teamwork, working with a team form has more advantages because, a collaboration between members is formed. Companies tend to do this with the aim of forming a good interpersonal relationship between employees, so that the completion of work in the form of a team can divide the workload lighter and form good communication between team members to improve employee performance. According to Hatta & Musnadi (2017), teamwork is the mental and emotional involvement of people in team situations that encourage them to make contributions and responsibilities in achieving team goals.

## **METHOD**

Data collection was carried out using a qualitative approach that tries to gain a better understanding of the complexity of human interactions. According to Moleong (2007), this qualitative research intends to understand the phenomenon of what is experienced by research subjects, for example behavior, perceptions, motivations, actions, etc. holistically, and by means of descriptions in the form of words and language, in a special natural context and by utilizing various natural methods.

## **RESULT**

### *Talent Management*

A number of theories and frameworks are developed related to the conversion of talent into better performance. Firm-specific competencies are based on specific resources, assets, firm-specific competencies are related to the resources, assets and skills possessed by the members of the organisation and the optimal utilisation of these resources helps the organisation build a competitive advantage. Two basic theories that have emerged are the theories of the firm: the resource-based theory and the talent-based theory. The talent-based theory states that talent is the only resource that can help in gaining and maintaining competitive advantage, and therefore organisations should focus on attracting and retaining a talented workforce. The role of the firm is neither talent creation nor talent acquisition but rather; the firm is regarded as a talent integration agency, as talent resides in the

head of the individual and the firm only integrates and provides systems and structural arrangements for coordination and co-operation between talented workers (Rahmi, 2021).

The competitive advantage literature has changed and recognises that the importance of human resources in organisational success is critical (Larasati, 2018). The resource-based approach of the firm emphasises the need to develop distinctive, difficult to imitate and valuable resources and dynamic methods to integrate those resources for organisational success. The resource-based perspective suggests that competitive advantage depends on valuable, unusual and difficult-to-imitate resources which are one of these scarce resources in organisations and human resources (Setiawan, 2017).

A more recent theory of the firm, the talent-based view of the firm, which gives importance to developing and enhancing the competencies of the firm's employees through a systematic process of talent acquisition and talent transfer and sharing to gain competitive advantage. According to the resource-based view, rival firms compete on the basis of the heterogeneity and immobility of their resources and capabilities. Resources can be physical, human, and organisational, and can be used to implement value creation strategies. Resources that are valuable, rare, inimitable, and irreplaceable, have the potential to provide a sustainable competitive advantage for the firm. A set of resources that seem to fit the above criteria are talent assets (Khotimah, 2017).

Hughes & Rog (2008) suggest certain factors that can aid the successful implementation of a talent management strategy. The talent management strategy should be integrated and aligned with the organisation's strategy and it is also very important to articulate the talent management strategy. Talent management is related to the culture and people in the organisation. People and culture are the heart of the organisation to create a successful talent management strategy. The biggest challenge for managers to manage talent is not technical, but cultural. Overcoming cultural hurdles is a very difficult task especially when holding knowledge is considered more important than sharing with others. The reason for the sentiment is due to the competitive nature of employees and they are more likely to hold knowledge rather than compare because sometimes they don't want others to have the same competence they have (Silzer & Dowell, 2009).

Another important issue about talent management is compensation, if the right incentives are given to people who share talent then knowledge sharing becomes effective. The compensation and reward system should support knowledge and talent sharing. It is important to reward employees who contribute more to knowledge sharing in the organisation and at the same time should ensure that employees understand the importance of talent management (Silzer & Dowell, 2009). The difficulty with many compensation and incentive systems for talent distribution is that constructive talent comes from relatively low in the organisation, from people who are not in the incentive system and may react much more willingly to the feeling that they belong to a highly motivated and leading edge, innovative group of people. This may ultimately mean that an important role is played by culture; by an unquestioned code, even in a coma, that persuades talent sharing and cooperative behaviour (Bryant & Allen, 2013).

There are three main components of talent management that are the main source of an organisation's competitive advantage:

1. **Talent Attraction and Selection.** Organisations must use various techniques and methods to recruit and select the right talent. Recruitment of the talent pool is the first and important task of the talent management process. The talent pool is a group of candidates who are the future executives of the organisation who will steer the organisation towards competitive performance. So to gain and sustain organisational performance, recruitment and selection of talented individuals is essential. The establishment of a talent pool can be done in two forms, the first being internal and the second being external. Internal recruitment of talent pools will come from outgoing employees of the organisation. Internal recruitment can provide an advantage as the employees already know the culture and the way of doing work in the organisation and can also lift the morale of the employees if the position. However, external sources will be the best way to gather talent when the organisation wants to bring in cultural changes and wants.
2. **Talent retention.** Talent retention is the process of retaining talented employees with the organisation for a longer period of time. Turnover of talent from any organisation is detrimental as it leads to a decrease in the productivity of the organisation as well as more costs to attract a new talent pool. There are two classifications of retention of talented employees with the

organisation. Intrinsic and extrinsic. Intrinsic incentives include some non monetary rewards that can satisfy the psychological needs of employees whereas extrinsic rewards are monetary rewards that can help satisfy the physiological needs of employees. Monetary rewards are recognised as an important tool for retention. Further, organisations need to invest more for the purpose of retaining employees with the organisation, a good reward system is important to attract, and retain talent with the organisation. This can motivate employees, thereby resulting in high organisational performance (Srimulyani, 2020).

3. Talent development. In this competitive and dynamic business era, learning and development has become the backbone of success, without continuous learning, acquiring and sustaining performance becomes impossible. HR strategists and practitioners are shifting their focus towards learning and developing talented employees to improve organisational performance. Talent development is the process of improving the skills and attitudes of employees. As businesses continue to change business models new technologies and strategies to cope with these changes, organisations need to improve and enhance employee knowledge. When creating a strategy for development practitioners should pay attention to the integration and strategic fit between current talent and employee skills (Labola, 2019).

According to Hasibuan (2013), Management is the science and art of managing the process of utilising human resources and other sources effectively and efficiently to achieve a certain goal.

1. Talent Management Function. This management function by management experts developed. Some only use four functions, some use five functions, and so on. But, in principle, each function has a broader meaning. Each function does not stand alone, but is interconnected and influences each other and moves in the direction that has been planned. An explanation regarding these functions states as follows:
2. Planning. Planning is a very important management function because, what is described in planning is a decision, policy direction and expectations that must be achieved, with proper planning the function of management itself will work properly and correctly.
3. Organizing. The board of directors authorizes work and overall cost allocation, leaders at the business unit level assign tasks to managers, while managers organize and allocate work at the operational and technical levels.
4. Lead. The leading function includes directing and mobilizing his subordinates according to their level of authority.
5. Control. The control function aims to ensure that the process is running according to the plans and principles that have been implemented.

#### *Implementation of Talent Management in Bank BRI Demak Branch*

The implementation of talent management at Bank BRI is outlined in the competency management and development strategy in the form of a human resource management programme roadmap determined every 5 (five) years which is always reviewed periodically to suit the company's needs. The programme is part of a human resource architecture framework that is systematic, comprehensive and measurable. The programme begins with the activities of planning, acquiring (recruitment, selection and placement), developing, retaining and maintaining, performance management and terminating.

The HR architecture program is embodied in a competency-based HR Management policy and supported by an accurate HR SIM and is based on the implementation of GCG and Corporate Culture which is the basis for workers in their attitude and behaviour to realise the vision and management of HR (professional, productive and prosperous) contained in 3 (three) stages, namely recruitment, learning & developing and career development based on performance management. Recruitment at Bank BRI consists of recruitment of staff development programmes intended to produce future BRI leaders sourced from internal or external workers in accordance with the specified qualifications, non-staff recruitment intended to meet the needs of workers at the non-managerial level and sourced from professional hiring aimed at recruiting external workers who have qualifications and expertise in certain fields and are expected to transfer knowledge.

Career development based on performance management refers to the provisions governing the career path of workers. Mutations are carried out based on the needs of the company, the length of service of workers in a particular work unit and the performance of the workers concerned. In

performance management, Bank BRI assesses performance from 2 (two) sides, namely the achievement of key performance indicators (KPIs) and the achievement of competencies with the aim that HR performance evaluation measures in a balanced manner what must be achieved and how to achieve it. The stages of the BRI Bank performance management system are also systematically designed consisting of planning, guidance and evaluation.

Based on the results of the documentation study conducted, the talent group at Bank BRI Kanca Sukabumi Kanwil Bandung is distinguished based on the echelon of positions ranging from echelon 7 (seven) to echelon 1 (one) with talent criteria set as follows: (1) employees of echelon 7 (seven) to 1 (one), (2) performance appraisal for the last 3 (three) years at least very good 2 (two) times and good 1 (one) time, (3) meet the competency requirements which include integrity, leadership and personality, (4) the working period of the last position (MKJ) and / or position at the level of at least 1 (one) year, (5) is not currently in the case indication and subject to disciplinary punishment and (6) the maximum age is for echelon 7 (seven) to echelon 3 (three) is 50 (fifty) years.

The perception of HR officers that talent management is the same as other types of education such as debriefing, public courses, FPK, socialisation and so on. The implication is that the application of talent management has not been implemented optimally in the current condition as evidenced by the results of interviews regarding the definition of talent management as the same as training or education in general. On the other hand, without realising it when compared to previous studies presented by Pella and Inayati (2011: 84), Bank BRI Kanca Sukabumi Kanwil Bandung has carried out several key components in implementing talent management which include recruitment and selection processes, orientation processes, performance management processes and education and training processes.

## **CONCLUSION**

Organizations face problems in personnel management in this dynamic and competitive business environment. For businesses functioning on an international level, talent management is becoming increasingly important. Demands are placed on the key positions of highly qualified workers as they guide the company and bring it to the highest success, which is why it strives for the best people. This is why they are in supreme success. Talent Management is a series of actions to recruit, select, develop and retain key personnel. They further pointed out that talent management recognizes people who excel in certain activities and performance who are supported to enable the company to grow. The organization must have the ability and capacity to identify the people and capabilities that can create value and give the organization a competitive advantage; Apart from that, talent management also aims to develop and place the right people on the right job at the right time and provide the right environment to demonstrate their abilities in the best way for the organization. Bank Rakyat Indonesia (BRI) requires competent and qualified human resources, especially in the current era of globalization. Human resources are one of the most important assets owned by a company, because no matter how much the company is able to generate capital, if it is not driven by human power, it will not add value to the company. Performance management-based career development refers to the provisions governing employee career paths. Movements are made based on the needs of the company, the length of service of the worker in a particular work unit and the performance of the worker concerned. In performance management, BRI Bank assesses performance from 2 (two) sides, namely the achievement of key performance indicators (KPI) and achievement of competence with the aim that HR performance evaluation measures in a balanced way what must be achieved and how to achieve it. The stages of Bank BRI's performance management system are also designed in a systematic manner consisting of planning, guidance and evaluation.

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