



## The Effect of Talent Management on Employee Performance with Self-Efficacy as Mediation Variables

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**Abstract:** In the current era of globalization and economic growth, every organization needs to survive in competition with other organizations. One of the strategies to win this talent war is to implement talent management, which is used to identify, find, develop, manage, and retain talented employees to achieve strategic goals and meet future business needs. The purpose of this study was to determine the effect of talent management on employee performance using self-efficacy as a moderator variable. Talent management is the independent variable (X), self-efficacy is the intervening variable (Z), and employee performance is the dependent variable (Y). The methods used in this research are descriptive and quantitative statistics. The sample for this study was taken from as many as 65 respondents from the total population using the census/total sampling method. The data obtained from the results of the questionnaire were tested statistically through the Warp PLS 7.0 program. The results of the tests conducted show that talent management has a positive and significant effect on employee performance, talent management has a positive and significant effect on self-efficacy, self-efficacy has a positive and significant effect on employee performance, and talent management has a positive and significant effect on employee performance through self-efficacy.

**Keywords:** Employee Performance; Self-Efficacy; Talent Management

### INTRODUCTION

In the current era of globalization and economic growth, every organization needs to survive in competition with other organizations. These efforts are closely related to those of human resources, which are an important asset in the process of developing potential in an organization, from formulating goals to implementing them. That way, the company must engage in human resource management to obtain employees who are competent in carrying out their duties under the responsibilities assigned to increase the company's effectiveness to achieve a goal.

The biggest challenge for management today is winning the talent war. A "talent war" is a situation where companies compete to beat their competitors to bring the best talent to the labor market. One of the strategies to win this talent war is to implement talent management, which is used to identify, find, develop, manage, and retain talented employees to achieve strategic goals and meet future business needs. The application of talent management is also explained as an effort to understand how talent management fits into and is aligned with the overall HR efforts and functions to improve company or employee performance (Dessler, 2020).

Talent management programs are widely developed in many organizations to involve talented employees in improving organizational performance. On the other hand, self-efficacy is one of the few personality traits that has attracted significant attention from researchers in the field of human resource management. Self-efficacy, a term coined by Karina & Ardana (2020), refers to a person's belief in his ability to complete the job with the expected results to show his efforts are successful or in vain. In recent research, it has been observed that talent management in various professional fields emphasizes the level of self-efficacy of employees. Thus, self-efficacy becomes important for measuring, evaluating, and predicting employee



performance in organizations. In this case, the talent management program must be developed in such a way as to increase employee self-efficacy (Dessler, 2020).

To develop quality human resources, it is necessary to have highly engaged and professional individuals who are consistently able to make a meaningful contribution to the company. Talent management and self-efficacy affect employee performance. An employee who gets good talent management can develop his competencies so that he can improve his performance. Employees who have high self-efficacy show higher performance (Masduki & Sopiyan, 2021).

According to Bastian (2019), "performance" is an illustration of an organization's level of achievement regarding the implementation of an activity, program, or policy and the realization of performance achievement standards to achieve the vision, targets, goals, and mission of the organization. In line with Bastian's (2019) opinion, the Encyclopedia of Public Administration and Public Policy 2013 also mentions that performance can explain conditions regarding how far an organization gets results when compared to achieving the goals and targets that have been set.

Talent management is an activity carried out by businesses to identify, develop, and retain the right people; broadly, talent management refers to HR management, beginning with the recruitment process, talent mapping, training, and career development, and ending with employees leaving the company (Dessler, 2020).

Another important managerial support for optimizing employee performance is self-efficacy. Self-efficacy encourages employees to show work involvement because self-efficacy encourages a person to take a series of effective actions to change the environment. In this case, self-efficacy serves as a self-motivation mechanism, and people who value their abilities will help them set goals for themselves and are encouraged to try and persevere to overcome obstacles at work (Nisa, 2019).

This study uses a mediating variable in which this variable mediates the relationship that occurs between the independent variable and the dependent variable. The mediating variable has an indirect effect. So, the relationship between the independent variable and the dependent variable is influenced by one variable called the mediating variable. The object of this research is the PT PLN (Persero) UPPK (control and generation implementation unit) has seven sectors and one parent, consisting of the Belawan sector, the Central Tapanuli sector, the Nagan Raya sector, the Langkat sector, the Medan sector, the Pandan sector, and the Pekanbaru sector, as well as the location of its main office in Medan city. This electricity company is one of the sectors of Pekanbaru.

Talent management practices at PT PLN (Persero) are carried out by a special section under the auspices of the HR and organization sectors. According to the company, the definition of talent management is the management of HR assets that provide added value or have an impact on company performance. This program aims to select individuals who are considered suitable and can contribute to improving company performance to achieve the set goals.

This research supports previous research conducted by Damanik (2020), it is known that simultaneously, talent management has a positive and significant influence on employee self-efficacy and performance. However, in this study, the researcher will use a different research object from the previous one. With the background described above, the researcher is interested in conducting research with the title " The Effect of Talent Management on Employee Performance with Self-Efficacy as Mediation Variables".

The purpose of this study was to determine the effect of talent management on employee performance using self-efficacy as a moderator variable. Talent management is the independent variable (X), self-efficacy is the intervening variable



(Z), and employee performance is the dependent variable (Y). The hypothesis in this study is that it is suspected that there is a significant influence of talent management (X) on employee performance (Y) at PT PLN (Persero) UPDK Pekanbaru and that there is a significant influence of talent management (X) on self-efficacy (Z) at PT PLN (Persero) UPDK Pekanbaru. Pekanbaru, It is suspected that there is a significant effect of self-efficacy (Z) on employee performance (Y) at PT PLN (Persero) UPDK Pekanbaru, and it is suspected that talent management (X) affects employee performance (Y) through self-efficacy (Z) at PT PLN (Persero) UPDK Pekanbaru.

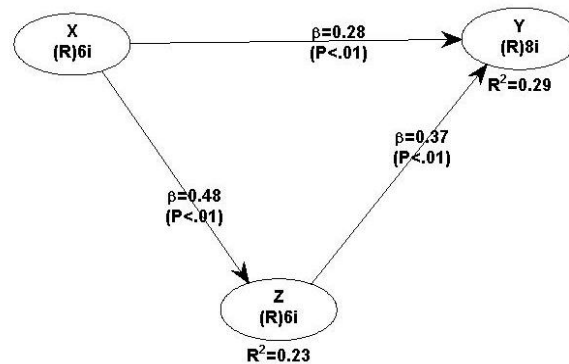
## METHODS

The approach used in this research analysis is a quantitative one. The methods used in this research are descriptive and quantitative statistics. According to Creswell (2020), the observed symptoms are converted into numbers, which are then analyzed using statistical methods. This research was conducted at PT PLN (Persero) UPDK (Generation Control Implementation Unit). The population used in this study was all employees at PT PLN (Persero) UPDK (Generation Control Implementation Unit) Pekanbaru, namely 65 people. In this study, total census/sampling was used as the sampling method. According to Arikunto (2021), if the subject is less than 100, then the entire population becomes the research sample. So the number of samples is 65. The types and sources of data that researchers use in this study are primary and secondary data. The data collection technique used in this study was a questionnaire. The form questionnaire used was a structured questionnaire with a closed-answer form where various alternative answers were provided for each statement.

The scale used in this study is the Likert scale, where the measured variables are converted into sub-variables and then converted back into variable indicators and translated into statements. Each instrument item was answered with a Likert scale in the form of a checklist by placing a tick in the column of the five choices, namely (5, 4, 3, 2, 1). The data obtained from the results of the questionnaire were tested statistically through two methods of technical data analysis: descriptive analysis and PLS analysis. The descriptive analysis seeks to describe and process the available raw data. Next is PLS analysis, which is data processing that is not based on many assumptions. PLS can see the relationship between latent variables, which can also test the theory. The PLS model tests the structural model, also known as the inner model, whose data comes from distributing questionnaires and then processing and analyzing it with the WarpPLS 7.0 program. After that, the structural model is tested to prove the R-Square value. Assessment with the PLS test begins by looking at the outer loading value for each latent dependent variable. This statistic shows the extent to which exogenous constructs explain endogenous constructs.

## RESULTS AND DISCUSSION

At this early stage, the outer model or measurement model, the authors designed the initial research model following the hypothesized model, then processed and estimated the primary data in the form of respondents' answers using the WarpPLS 7.0 application. This step is carried out to determine a good research model, which will then be used as an analysis of the author's hypothesis. The estimation of the results of constructing indicators with the WarpPLS application in the initial model can be seen in the following Figure 1:



**Figure 1. Outer Loading**  
 Source: Processed Data Warppls 7.0 (2022)

**Table 1. Outer Loading**

	Talent Management	Self Efficacy	Employee Performance	Description
X.1	0.936			Valid
X.2	0.702			Valid
X.3	0.890			Valid
X.4	0.890			Valid
X.5	0.927			Valid
X.6	0.866			Valid
Z.1		0.888		Valid
Z.2		0.865		Valid
Z.3		0.609		Valid
Z.4		0.612		Valid
Z.5		0.860		Valid
Z.6		0.902		Valid
Y.1			0.813	Valid
Y.2			0.784	Valid
Y.3			0.793	Valid
Y.4			0.813	Valid
Y.5	ss		0.798	Valid
Y.6			0.910	Valid
Y.7			0.909	Valid
Y.8			0.918	Valid

Source: Data that has been processed by the author (2022)

In the table above, it can be seen that the outer loading value is greater than 0.50. This means that the indicator can represent the question indicator. In addition to looking at the outer loading value of an indicator, it is also necessary to look at the AVE value to prove if the indicator on that variable can be used. The AVE value has a value above 0.50, which means that the variable can be used.



**Table 2. Average Variance Extracted (AVE)**

	Average Variance Extracted (AVE)
Talent Management	0.761
Self Efficacy	0.639
Employee Performance	0.713

Source: Data that has been processed by the author (2022)

The estimated results of the AVE value obtained for talent management, with a value of 0.761, self-efficacy of 0.639, and employee performance of 0.713, mean that it has exceeded the value of 0.5. This value indicates that one latent variable has been able to explain more than half of the variance of its indicators in the average. As a result, the study's construct has a high convergent validation value.

The next step is to test the indicators of each statement and their relationship to the primary variable or latent variable. This test is called cross-loading. If the value is above 0.70, then the indicators for each question can represent the primary variable.

**Table 3. Discriminant Validity Value**

	Talent Management	Self Efficacy	Employee Performance	Description
<u>X.1</u>	<b>0.936</b>	-0.025	-0.023	Valid
<u>X.2</u>	<b>0.702</b>	-0.004	0.058	Valid
<u>X.3</u>	<b>0.890</b>	0.023	-0.132	Valid
<u>X.4</u>	<b>0.890</b>	0.023	-0.132	Valid
<u>X.5</u>	<b>0.927</b>	-0.048	-0.011	Valid
<u>X.6</u>	<b>0.866</b>	0.027	0.178	Valid
<u>Z.1</u>	-0.014	<b>0.888</b>	-0.084	Valid
<u>Z.2</u>	-0.065	<b>0.865</b>	-0.071	Valid
<u>Z.3</u>	-0.321	<b>0.609</b>	-0.186	Valid
<u>Z.4</u>	-0.214	<b>0.612</b>	-0.250	Valid
<u>Z.5</u>	0.091	<b>0.860</b>	-0.100	Valid
<u>Z.6</u>	-0.024	<b>0.902</b>	0.147	Valid
<u>Y.1</u>	0.220	0.075	<b>0.813</b>	Valid
<u>Y.2</u>	0.311	-0.030	<b>0.784</b>	Valid
<u>Y.3</u>	-0.158	-0.008	<b>0.793</b>	Valid
<u>Y.4</u>	0.220	0.075	<b>0.813</b>	Valid
<u>Y.5</u>	-0.085	0.026	<b>0.798</b>	Valid
<u>Y.6</u>	-0.069	-0.010	<b>0.910</b>	Valid
<u>Y.7</u>	-0.046	-0.154	<b>0.909</b>	Valid
<u>Y.8</u>	0.138	-0.075	<b>0.918</b>	Valid

Source: Data that has been processed by the author (2022)

To be able to test discriminant validity, not only judging from the cross-loading but also from the Fornell-Larcker criteria, where the correlation value must be higher than the value of other variables so that the validity test with Fornell-Larcker criteria in this study can be used.



**Table 4. Results of Cross Loading Fornell-Larcker Method**

	<b>Talent Management</b>	<b>Self Efficacy</b>	<b>Employee Performance</b>
Talent Management	<b>0.872</b>	0.452	0.397
Self Efficacy	0.452	<b>0.800</b>	0.385
Employee Performance	0.397	0.385	<b>0.844</b>

Source: Data that has been processed by the author (2022)

In addition to testing the discriminant validity, we also tested the reliability. Fornell-Lacker is another method for assessing discriminatory validity. by comparing the squared AVE with the latent vertical correlation (Hair, 2021). If the square root of the AVE is along the diagonal line, it indicates correlation. which is greater between one construct and another construct, then the validity Discrimination is said to be good.

**Table 5. Reliability Test Results**

<b>Variable</b>	<b>Croncbach's Alpha</b>	<b>Composite Reliability</b>	<b>Standard reliable</b>	<b>Description</b>
Talent Management	0.935	0.950	0.7	Reliable
Self Efficacy	0.896	0.912	0.7	Reliable
Employee Performance	0.944	0.952	0.7	Reliable

Source: Data that has been processed by the author (2022)

Based on the table above, the composite reliability value of each variable has a value of > 0.70, while Cronbach's alpha is > 0.60, so it can be said that each variable has a good reliability value. The lowest composite reliability value is in the self-efficacy construct at 0.912. In Croncbach's alpha, the recommended value is above 0.6, and the table above shows that Croncbach's alpha value for all constructs is above 0.6. If a construct meets these criteria, it can be said that the construct is reliable or has consistency in the research instrument.

**Table 6. Inner Model Test Result**

<b>Structure Models</b>	<b>R Square</b>
Self Efficacy	0.299
Employee Performance	0.288

Source: Data that has been processed by the author (2022)

Based on the table above, the value of R-squared self-efficacy is 0.229. This means that 29.9% of self-efficacy is influenced by talent management and employee performance. And the remaining 70.1% is influenced by other variables not examined in this study. while employee performance obtained an R-squared value of 0.288. This means that 28.8% of employee performance is influenced by talent management. And the remaining 71.2% is influenced by other variables not examined in this study. R-Square (R<sup>2</sup>) is also known as the coefficient of determination, which describes the extent to which dependent data can be explained by independent data. The R-squared value ranges from 0 to 1, with the closer to one, the better. If the r-squared value is small, it means that the error component is large, which means it cannot be explained by the independent variables or can be explained by variables outside the independent variables (Hair, 2021).



**Table 7. Hypothesis Test Results**

<i>Direct Effect</i>	<i>Path Coefficients</i>	<i>T-statistics</i>	<i>T-Table</i>	<i>P values</i>	<i>Conclusion</i>
<i>Talent Management (X)-&gt;Employee Performance (Y)</i>	0.283	2.560	1,96	0.002	H1 Supported
<i>Talent Management (X) -&gt;Self-Efficacy (Z)</i>	0.478	6.379	1,96	0.001	H2 Supported
<i>Self Efficacy (Z)-&gt;Employee Performance (Y)</i>	0.372	3.062	1,96	0.003	H3 Supported

Source: Data that has been processed by the author (2022)

Test hypothesis 1, from Table 7 above, it can be seen that the path coefficients of talent management on employee performance are 0.283, the t-statistic value is > 1.96, and the P value is smaller than 0.05. A positive path coefficient value proves that talent management has a positive and significant effect on employee performance at PT PLN (Persero) UPDK (Generation Control Implementation Unit) Pekanbaru. With proof of a t-statistic value of more than 1.96 and a P value of less than 0.05, H<sub>0</sub> is rejected and H<sub>a</sub> is accepted, so this hypothesis can be accepted.

Hypothesis Test 2, from Table 7 above, it can be seen that the path coefficients of talent management for self-efficacy are 0.478, the t-statistic value is > 1.96, and the P value is smaller than 0.05. positive path coefficient value proves that talent management has a positive and significant effect on self-efficacy at PT PLN (Persero) UPDK (Generation Control Implementation Unit) Pekanbaru with proof of a t-statistic value of more than 1.96 and a P-value of less than 0.05, then H<sub>0</sub> is rejected and H<sub>a</sub> is accepted, so this hypothesis can be accepted.

Hypothesis Test 3, from Table 7 above, it can be seen that the path coefficients for self-efficacy on employee performance are 0.372, the t-statistic value is > 1.96, and the P value is smaller than 0.05. The path coefficients are positive, proving that self-efficacy has a positive and significant effect on employee performance at PT PLN (Persero). UPDK (Generation Control Implementation Unit) Pekanbaru: with proof of a t-statistic value of more than 1.96 and a P value of less than 0.05, H<sub>0</sub> is rejected and H<sub>a</sub> is accepted, so this hypothesis can be accepted.

**Table 8. Mediation Hypothesis Test Results**

	<i>Indirect Effects</i>	<i>P Values</i>	<i>Description</i>
<b>TM-SE-EP</b>	<b>0.178</b>	<0.001	Mediation

Source: Data that has been processed by the author (2022)

Hypothesis Test 4 from Table 8 above, it can be seen that the path coefficients for talent management (TM) on employee performance (KK) through self-efficacy (SE) are 0.178, and the P value is smaller than 0.05. Positive path coefficients prove that talent management has a positive and significant effect on employee performance through self-efficacy at PT PLN (Persero) UPDK (Generation Control Implementation Unit) Pekanbaru.



The Influence of Talent Management on Employee Performance According to Dessler (2020), talent management is a form of activity carried out by companies to find employees who have the competence and place them in appropriate positions through the processes of recognition, development, and defense and placement into appropriate positions. The results of the direct effect test show significant results in talent management on employee performance with a p-value of 0.002 less than 0.05, and a path coefficient value of 0.283, which has a positive direction. This shows that for every 1 unit increase in talent management, employee performance will increase by 0.283. Then the hypothesis, which states "there is a significant influence between talent management and employee performance at PT PLN (Persero) UPDK (Generation Control Implementation Unit) Pekanbaru," is proven. Based on the results of this study, it is known that there is a positive and significant influence of talent management on employee performance. The better and more efficient talent management is implemented, the better the performance of the employee. The results of this study support previous research conducted by Rahmawati (2020), which said that talent management has a positive and significant influence on employee performance.

The Influence of Talent Management on Self-Efficacy, Individuals who have talent management are individuals who have good self-affirmation and good motivation (Capelli, 2019). The results of the direct effect test show significant results on talent management and self-efficacy with a p-value smaller than 0.05 and a path coefficient value of 0.478, which has a positive direction. This shows that for every increase in talent management of 1 unit, self-efficacy will increase by 0.647 in a positive direction. This shows that for every increase in talent management of 1 unit, self-efficacy will increase by 0.647. Then the hypothesis, which states "there is an influence of talent management on self-efficacy at PLN (Persero) UPDK (Generation Control Implementation Unit) Pekanbaru", is proven. Based on the results of this study, it is known that there is a positive and significant influence of talent management on self-efficacy. positive and significant influence, indicating that the better and higher the talent management is done, the more the self-efficacy will increase and be better too. The results of this study support previous research conducted by Ali et al., (2020), where there is a positive and significant effect of talent management on self-efficacy.

The Effect of Self-Efficacy on Employee Performance According to Priska (2020), self-efficacy is an individual's assessment of his ability or competence to perform a task, achieve a goal, or produce something. Self-efficacy refers to the perception of an individual's ability to organize and implement actions to display skills. The results of the direct effect test show significant results on self-efficacy and employee performance with a p-value of 0.003 less than 0.05, and a path coefficient value of 0.372, which has a positive direction. This shows that for every increase in self-efficacy of 1 unit, employee performance will increase by 0.372 units. Then the hypothesis, which states "there is a significant influence between self-efficacy and employee performance at PT PLN (Persero) UPDK (Generation Control Implementation Unit) Pekanbaru," is proven. Based on the results of this study, it is known that there is a positive and significant effect of self-efficacy on employee performance. positive and significant influence, indicating that the higher and better the perceived self-efficacy, the higher and better the employee's performance. The results of this study support previous research conducted by Rahmawati (2020), which found a positive and significant relationship between self-efficacy and employee performance.





The Influence of Talent Management on Employee Performance Through Self-Efficacy The results of the indirect effect show significant results in talent management on employee performance through self-efficacy with a p-value of 0.001 less than 0.05 and a path coefficient value of 0.178, supporting the hypothesis that "there is a significant influence between talent management and employee performance through self-efficacy at PT PLN (Persero) UPDK (Generation Control Implementation Unit) Pekanbaru". Based on the results of this study, it is known that talent management indirectly has a positive and significant effect on employee performance through self-efficacy. In this study, the direct effect is stronger than the indirect effect. This is due to factors other than talent management and employee performance. The results of this study support previous research conducted by Rahmawati (2020), indicating that talent management indirectly has a positive and significant effect on employee performance.

### CONCLUSION

Based on the results of data analysis, hypothesis testing, and discussion, it can be concluded that there is a significant relationship between the influence of talent management on employee performance at PT PLN (Persero) UPDK Pekanbaru, that talent management has a positive and significant effect on self-efficacy, that self-efficacy has a positive and significant effect on employee performance, and that talent management has a positive and significant effect on employee performance through self-efficacy. These results show that the existence of a talent management program has a major contribution to achieving employee performance. Talent management held at the company has been able to provide provisions for employees to improve their workability to produce quality and quantity according to company goals.

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