THE IMPACT OF EMPLOYEE ENGAGEMENT ON TALENT MANAGEMENT AND KNOWLEDGE MANAGEMENT ON EMPLOYEE PERFORMANCE IN THE SOCIAL SECURITY ADMINISTRATION FOR EMPLOYMENT AT THE MAIN BRANCH OFFICE SURAKARTA

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Abstract: The objectives of this study are (1) To examine and analyze the partial impact of talent management and knowledge management on employee performance at the Main Branch Office of Social Security (BPJS) Surakarta. (2) To examine and analyze the impact of employee engagement mediation on the impact of talent management and knowledge management on employee performance at the main branch office of Social Security (BPJS) Surakarta. This research was conducted in Surakarta, by taking the subject of employees at the Social Security (BPJS) Surakarta Main Branch which consists of several District Operational Service Offices (KLOK Kantor PelayananOperasionalKabupaten), namely KLOK Karanganyar, KLOK Sragen, KLOK Wonogiri and KLOK Sukoharjo. The results of the study found that the direct impact and indirect impact indicate that both pathways are effective, so that the Talent Management and Knowledge Management variables need to be maintained. The direct impact of Talent Management is greater than the indirect impact, while the direct impact of Knowledge Management is smaller than the indirect impact. There are positive and significant direct and indirect impacts between Talent Management and Knowledge Management on employee performance, so that employee attachment mediation as a mediating variable is partial mediation.

Keywords: Talent Management, Knowledge Management, Employee Engagement, Employee Performance, Path Analysis.

1. Introduction
Organizational performance is very dependent on individual performance, or in other words, individual performance will give strength to organizational performance. Employee performance is one of the dimensions for measuring organizational success where the organization must be able to create high employee performance in order to maintain survival and achieve sustainable competitive advantage. The success of the organization in fostering employee engagement will have an impact on the employees’ performance.

One of the determinants of the level of employee performance is determined by the employee engagement factor. The concept of attachment was first put forward by Kahn (1990), he states that individuals who are in touch to their work will be connected to their role in
working both physically, cognitively and emotionally. Nidan (2016) in his research also suggested that the stimulant factors for employee engagement impact employee motivation and performance.

In case of employee engagement, a survey conducted by the 2015 Indonesia Human Capital Study, in which the survey methodology used two perspectives, first the employee perspective consisting of the Employee Engagement Survey, and the Net Promoter Score (NPS) Survey, the second was Performance Satisfaction. Survey of Human Capital (HC), is a Management perspective consisting of HC Index and HC Initiatives, this survey was followed by 64 companies consisting of companies based on Insurance, Financing, Mining, Telecommunications, Property and Real Estate, Infrastructure, Utilities and an Industry produces several findings, those are: a). 1 (one) out of 10 (ten) employees has a plan to resign from their current job, b). 52% of employees recommend their company as a “great place to work” and recommend it to others. Three sub-systems that need to be considered by management are the career management system, recruitment system, talent management system, and performance management system. the form of business of the company to retain its employees in the organization, is by implementing talent management (Talent Management) and knowledge management (Knowledge Management). The company currently expects to have Human Resources in the talented employees, so that the company is necessary to keep the company's talents on its talent management strategy. That is one of the efforts to obtain, to develop and to keep the employee in talent

Knowledge management can also improve skills and work motivation so that it can encourage individual and organizational performance improvement. Employee performance will achieve maximum results if supported by their knowledge. Torabi, et.al (2016) shows that there is a significant impact of knowledge management on employee performance. Rahman & Hasan's research (2017) also shows that the components of the management knowledge process have a significant relationship with job satisfaction and organizational performance. However, there is a slight difference in the results of research from Nisa et.al (2016) in her research states that the partial test of talent management variables on employee performance shows an insignificant impact. Knowledge management variables with employee performance variables also show a partially insignificant impact. Meanwhile, if the two X variables are tested simultaneously, it shows results that have significant impacts on employee performance.

Companies that apply Human Resource management in talent management and knowledge management are the Employment Social Security (BPJS). It is one of the companies that has undergone a transformation or transition from being directly under the Ministry of BUMN to become an Institutional company based on a direct decision of the President. The transformation process of PT Jamsostek (Persero) into BPJS of employment began on November 25, 2011 and ended with the operation of BPJS of employment on July 1, 2015. Before having transformation of the Human Resources management system at Employment of Social Security (BPJS Ketenagakerjaan), the emphasis was more on employee tenure than achievement or performance achieved in the form of promotion or promotion of employee class.

Purpose of this study was to examine and analyze the impact of talent and knowledge management on employee performance and to examine and analyze the impact of mediation on employee engagement on the impact of talent management on employee performance at Main Branch Office Surakarta.
2. Literature Review

Strategic Management Human Resources

Strategic Human Resource Management is the link between Human Resources with strategic goals and objectives to improve business performance and develop a corporate culture that encourages innovation and flexibility, which means the company's ability to achieve its goals. The overall Human Resources strategy aims to build a loyal workforce, preferably in a work environment and not in a union. The goal of this Human Resources strategy is making two-way communication better, provide highly competitive compensation and give performance incentives, ensure the widest possible fair treatment and safety for all employees, instituting various promotional activities from its own management company which aim to give chance to the employee, in order to utilize skill and talents at work.

According to Dessler (2015: 21), companies formulate three types of strategies consisting of corporate strategies that identify the business ingredients that company will participate. Second, a business-level competitive strategy that identifies how each firm's businesses will compete and each business will be. Third, a functional strategy that identifies how the unit's manufacturing, sales, and other functions will contribute to the business strategy. The role of Human Resources as a strategic partner, among others, is in the formulation of strategies that require identification, analysis and development of two sets of strengths. According to Dessler (2015: 24), Human Resources in implementing strategy plays an important role in the successful implementation or implementation of the company's strategic plan.

Management Talent

The word talent means a factor that differentiates the performance of every employee in an organization or company. If a company wants to increase profits in its current line of business and continue to grow and develop its existing company, the company must focus on finding, attracting, and retaining the best employees. A good company is a company that vision, mission and company values that have been previously set are carried out by a number of talented employees who work together and synergize (Pella & Afifah, 2017: 70).

Employee talent must be managed by the company properly with a good management system. A talent management system that is implemented in an integrated manner and in line with other management functions will provide a real increase in business performance and employee performance. A successful company is one that creates a well-developed talent culture. Employee talent development culture consists of programs that specifically consist of company strategies in selecting the right employees, placing employees according to their abilities and skills, providing training and employee development that can improve performance at work and retain employees by providing compensation (Pella & Afifah, 2017: 75).

Based on the definition of talent, what is meant by talent management is a process to ensure the company's ability to fill main positions as future leaders of the company and positions that support the company's core competencies (unique skills and high strategic value) (Tusang & Tajuddin, 2015). Talent management can also be defined as strategic management to manage the flow of talent in a company with the aim of ensuring the availability of talent supply to align the right employees with the right job at the right time based on the strategic goals and priorities of the company. from company activities or company business (Pella & Afifah, 2017: 81).
Knowledge Management  

Armstrong (2014: 149) defines knowledge management as any process or practice to create, acquire, capture, share, and use knowledge to improve learning and organizational performance. According to Tobing (2011: 23) knowledge management is the management of company knowledge in creating business value and producing sustainable competitive advantage by optimizing the process of creating, communicating and applying all the knowledge needed to achieve business goals. Tobing (2011: 23) defines knowledge management as a systemic approach helping the emergence and current of information and knowledge to the right people at the right time to create value. Based on the opinion of these experts, it can be concluded that knowledge management is a series of processes for creating, communicating, and applying company knowledge to create business value and improve employee and organizational learning and performance. According to Tobing (2011: 23) there are two fundamental approaches to knowledge, namely tacit knowledge which is basically personal so it is difficult to be extracted from an individual's mind (personal knowledge) and explicit knowledge which assumes that knowledge is beneficial to individuals within the organization can be articulated and made explicit. The explicit knowledge in this research is work procedures and technology. According to Tobing (2011: 23) there are two fundamental approaches to knowledge, namely tacit knowledge which is basically personal so it is difficult to be extracted from an individual's mind (personal knowledge) and explicit knowledge which assumes that knowledge is beneficial to individuals within the organization can be articulated and made explicit. The explicit knowledge in this research are work procedures and technology. According to Tobing (2011: 23) there are two fundamental approaches to knowledge, namely tacit knowledge which is basically personal in nature so it is difficult to be extracted from an individual's mind (personal knowledge) and explicit knowledge which assumes that knowledge is beneficial to individuals within the organization can be articulated and made explicit. The explicit knowledge in this research is work procedures and technology.

Employee performance  

a. Definition of Employee Performance (Employee Performance)  

According to Rivai (2004: 309) performance is a function of motivation and ability. To complete a task or a job, a person must have a certain level of excitement and a certain level of ability. Employee performance is very important in the company's efforts to achieve its goals. One way that can be used to see the company's development is by looking at the results of performance appraisals.
According to Simanjuntak (2011: 1) performance is the level of achievement of results for the implementation of certain tasks. Performance management is the overall activity carried out to improve the performance of a company or organization, including the performance of each individual and work group in the company. Individual performance, group performance and company performance are influenced by many internal and external factors in the organization.

Furthermore, according to Simanjuntak (2011: 19) performance management is a continuous process in the form of a cycle consisting of planning, coaching and evaluation. According to Armstrong (2014: 198) performance management is a process that encourages dialogue, reflective (or evaluative) conversation about performance and development. Performance management must include the needs of individuals and organizations where the direction of performance management is to move from process control to processes that allow).

b. Employee Performance Factors

According to TzeSan and Boon (2012), the performance of each person is influenced by many factors which can be classified into three groups, namely:

1) Individual competence is the ability and skills to do work. The competence of each person is influenced by several factors, namely the ability and work skills, motivation and work ethic. The ability and work skills of each person are influenced by the physical fitness and mental health of the individual concerned, education, accumulated training and work experience. Motivation and work ethic are very important to encourage morale. Motivation and work ethic are influenced by family background, community environment, culture and religious values

2) Organizational support, the performance of each person also depends on organizational support in the form of organizing, providing work facilities and infrastructure, the comfort of working environment, working conditions and company conditions. Working conditions include a comfortable working environment, safety and health aspects including the availability of protective equipment.

3) Management support, company performance and one's performance also depend heavily on management's managerial abilities in leading all workers, coordinating all activities, and creating a conducive working climate. Every leader also demands the ability to recognize the weaknesses of subordinates and help overcome them.

Employee Engagement

a. Definition of Employee Engagement

Employee Engagement is a hot topic of conversation today, because Employee Engagement is able to make a positive contribution to achieving business results. Several studies suggest that engaged employees are more productive in their performance, provide the best service to their customers, are less likely to be absent, and are more loyal to the company than employees who are not involved. The important role of employee engagement is very helpful for an organization in achieving competitive advantage.

According to Buckingham and Vosburgh (2011), things that can encourage employee engagement are organizational culture, vision, and values. The purposeful organizational culture is an organization that has openness, mutual support and good communication between colleagues. The description above openly explains the various definitions with a
common thread in the form of a common idea. Therefore, the author tries to conclude that employee engagement is a term about the sense of attachment and involvement of an employee to his organization, where the results of this sense of involvement and attachment make him able to do something that exceeds his limits, giving his best performance to achieve organizational goals. Of course, employee engagement doesn't appear by itself, but is the result of the organization's efforts to do something through leadership, organizational culture, commitment that makes employees feel attached to the organization. Before establishing a policy regarding employee engagement, companies need to understand what elements underlie the policy. The following descriptions will try to explain this.

b. Factors Affecting Employee Engagement

Factors that affect employee engagement will vary in each type of job and organization. In general, Sadeli (2012) explains that there are 3 (three) main clusters that encourage employee engagement, namely:

1) Organization

Organizational factors that can encourage Employee Engagement are the organizational culture, vision and values adopted, the organization's brand. The purposeful organizational culture is an organizational culture that has openness and a supportive attitude as well as good communication between colleagues. Fairness and trust as organizational values also have a positive impact on the creation of Employee Engagement. These things will give employees the perception that they have support from the leadership and the organization.

2) Management and Leadership

This attachment is built through a process, requires a long time and high commitment from the leadership. In creating Employee Engagement, organizational leaders are expected to have several skills. Some of them are communication techniques, feedback techniques, and performance appraisal techniques. These things is a way for managers to create Employee Engagement so it is specifically referred to as an Employee Engagement driver.

3) Workingllife

The comfort of working environment conditions triggers the creation of Employee Engagement. There are several working conditions that are expected to create Employee Engagement. First, a work environment that is procedural and distributive justice. This happens because employees who have the perception of receiving procedural and distributive justice will do justice to the organization by building a deeper emotional bond with the organization. Second, the work environment that involves employees in decision making. This condition has a psychological employee impact, they consider themselves valuable to the organization. This makes employees more attached to the organization. Third, organizations that pay attention to the work-life balance of employees and their families. In many studies, it is explained that when there is a conflict between work and family, employees will tend to stop working.
Framework

The author describes a model that shows the relationship between talent management and knowledge management as well as the impact of mediation on employee engagement on employee performance as follows:

![Image 1. Framework](image.png)

Information:
EP: Employee Performance
TM: Management of talents
KM: Knowledge Management
EE: Employee Engagement

Hypotheses

The hypothesis in this study is formulated as follows:

H1. There is a positive and significant impact of talent management on employee performance at BPJS Employment at the Surakarta Main Branch.

H2. There is a positive and significant impact of knowledge management on employee performance at BPJS Employment at the Surakarta Main Branch.

H3. There is a mediating effect of employee engagement on the impact of talent management on employee performance at the Surakarta Main Branch Office for BPJS Employment.

H4. There is a mediating effect of employee engagement on the impact of knowledge management on employee performance at the Surakarta Main Branch Office for BPJS Employment.

3. Research Method

Research Location

This research will be conducted in the city of Surakarta, by taking the subject of employees at the Social Security Administration Agency (BPJS) of the Surakarta Main Branch Office which consists of several District Operational Service Offices (KLOK, Kantor PelayananOperasionalKabupaten), namely KLOK Karanganyar, KLOK Sragen, KLOK Wonogiri and KLOK Sukoharjo.

Population and Sample Determination Procedures

1) Population

In this study, the purposive population is an employee of the Social Security Administering Body Employment (BPJS) Surakarta which consists of KLOK...
Karanganyar, KLOK Sragen, KLOK Wonogiri and KLOK Sukoharjo. From each KLOK there are 40 employees, so the total population is 200 employees.

2) Sampel

Determination of the number of respondents to be taken is determined by the Slovin formula (in Suharsimi Arikunto, 2010) as follows

\[ n = \frac{N}{N \cdot (e^2) + 1} \]

Where:
- \( n \) = number of samples
- \( N \) = total population
- \( e \) = (1 - level of accuracy) = \( \alpha \)
- \( l \) = constant number

In accordance with the Slovin formula above, the amount to be taken with a 90% accuracy level in this study is:

\[ n = \frac{200}{200 \cdot (5\%)^2 + 1} = 66.67 \]

The sampling used by the author in this study uses proportional random sampling, which is a sampling method with attention to the same balance of each section (KLOK), where the population is divided into several sub-populations, from each of the same sub-population is taken to be selected as the sample. Then for each KLOK as much:

\[ \frac{66.67}{200} \times 100\% = 33.33\% \]

Thus the number to be taken as a sample from each KLOK is 33.33% x 40 = 13 employees. So in this study the authors used 67 respondents who were taken from 4 KLOK plus 15 Surakarta Office employees in particular.

Operational Definition and Variable Measurement

The operational definition of each variable in this study is as follows:

a. Employee Performance (KK)

Employee performance (job performance) is the employee's actual performance compared to the expected performance of the employee. Expected that work performance is standard performance that is prepared as a reference so that employees can see the performance of their employees according to their position compared to the standards made (Dessler, 2015). Measured using 8 question items. The scale used is a 5-point Likert scale.

b. Management Talenta (MT)

Talent management is a planned and structured corporate approach to recruiting, retaining, and developing talented people who consistently give superior performance (Capelli, 2008). Using 6 question items on a 5-point Likert scale.
c. Knowledge Management (MP)
   Knowledge management is defined as doing what is necessary to get the most out of the source of knowledge. In general, knowledge management focuses on organizing and providing important knowledge, wherever and whenever needed (Becerra and Sabherwal, 2010). Measured using 8 question items on a 5-point Likert scale.

d. Employee Engagement (TK)
   Employee engagement is a term about an employee's sense of attachment and involvement to his organization, where the results of this sense of involvement and attachment make him able to do something beyond his limits, giving his best performance to achieve organizational goals (Schaufeli, 2008) Measured by using 6 question items. The scale used is the 5-point Likert scale
   All question items will be assessed using a Likert scale which has five choices, namely:
   (1) Strongly Disagree (SD) - Indonesian (STS)
   (2) Disagree (D) - (TS)
   (3) Neutral (N) - (N)
   (4) Agree (A) - (S)
   (5) Strongly Agree (SA) - (SS)

Types of Data and Data Collection Methods

1) Type of Data
   a. Primary data
      Primary data is data obtained from direct observation of the object (source) and recorded and the first time processed by the researcher.
   b. Secondary data
      Secondary data are not collected by researchers themselves. This data come from second, third and so on, meaning it passes through one or more parties who are not the researchers themselves.

2) Data Collection Techniques
   a. Questionnaire.
      To obtain primary data, a questionnaire with a Likert scale model was used, the questionnaire was distributed to the respondents. In the Likert scale model, respondents answer the researcher's questions by giving an X (cross) on the prepared answer choices.
   b. Documentation.
      Documentation is data from laws regulations and books related to the issues being studied.
   c. Interview.
      This method used to get reliable results of the study and the authors will conduct some interviews when needed.
A. Research Instruments Test
   Test Validity and Reliability

B. Data Analysis Techniques
   1) Linearitas test
   2) Hypothesis Test
      a. Path Analysis
      Statistical software that is capable of performing multiple regression analysis can also be used for Path Analysis. The main subject of this analysis is a correlated variable. This analysis is based on a model of the relationship between variables determined by previous researchers. The statistical analysis used in this research is path analysis. Juanim (2004: 17-25) provides a description of the analysis path as follows:
      1) Basic Concept
      2) Path Diagram (Path Diagram)
      3) Path Coefficient
      4) Path Correlation Coefficient
   b. Equation
      Path analysis is used to examine the relationship between the independent variable and the dependent variable which is mediated by the mediating variable. The formula used is:
      \[ Y_1 = \beta_0 + \beta_1 + \beta_2 + \varepsilon \]
      \[ Y_2 = \beta_0 + \beta_1 + \beta_2 + \beta_3 + \varepsilon \]
      Where:
      \[ Y_1 / X_3 \] = Employee Engagement (employee engagement)
      \[ Y_2 \] = Employee Performance (employee performance)
      \[ X_1 \] = Talent Management (talent management)
      \[ X_2 \] = Knowledge Management (knowledge management)
      \[ \beta_0 = \text{Constant} \]
      \[ \beta_1 \ldots \beta_0 = \text{independent variable coefficient} \]
      \[ X_1 \ldots \ldots \ldots \ldots X_n \]
      \[ \varepsilon = \text{Error term / residue / residue} \]
      1) t test
      2) F test
      3) Coefficient of Determination
      4) Correlation Analysis

4. Research Results
   From the path analysis it can be seen that the direct impact and the indirect impact show that both pathways are effective. On the basis of this research, the relationship between the variables can be described in the final conceptual framework as follows:
5. Conclusion And Suggestions

Conclusion

Based on the results of research and discussion as presented in the previous chapter, several conclusions can be seen as follows:

1) Talent Management has a positive and significant impact on Employee Engagement of the Social Security Administration for Employment at the Surakarta Main Branch Office.
2) Knowledge Management has a positive and significant impact on Employee Engagement of the Manpower Social Security Administering Bodies (Bpjs) of the Surakarta Main Branch Office.
3) Talent Management has a positive and significant impact on the Employee Performance of the Social Security Administering Body (BPJS) of the Surakarta Main Branch Office.
4) Knowledge Management has a positive and significant impact on the Employee Performance of the Manpower Social Security Administering Bodies (Bpjs) of the Surakarta Main Branch Office.
5) Employee Engagement has a positive and significant impact on Employee Performance Agency Social Security Administrators (BPJS) for Employment at the Surakarta Main Branch Office.
6) The conclusion of this path analysis shows that the direct impact and indirect impact indicate that both pathways are effective, so the Talent Management and Knowledge Management variables need to be maintained. Thus Talent Management's direct impact is greater than the indirect impact, while Knowledge Management's direct impact is smaller than the indirect impact.
7) There are positive and significant direct and indirect impacts of Talent Management and Knowledge Management on employee performance, so mediation of attachment employee is partial mediation.
Implications

The results showed the direct and indirect impact of Talent Management and Knowledge Management variables on Employee Performance, this means that if the Talent Management and Knowledge Management are improved, it has a directly effect to both variable and through Employee Engagement on Employee Performance of the Main Office for Social Security (BPJS) Surakarta.

The results has the same idea with Irtamieh, et.al (2016) showing that talent management has a significant impact on employee performance through employee management.

Suggestions

Based on the results of the analysis and discussion above, the author's suggestions are as follows :
1) The management of the Social Security of employment (BPJS), of the Main office Surakarta began applying of various ways to implement talent management and knowledge management in improving Employee Performance. Based on the results of the research conducted, they have significant results. This means that the application of talent management and knowledge management by BPJS Employment can only bind (engagement) employees with the company but not at the stage of improving employee performance.
2) Employees should be able to better manage their talents and knowledge, either from previous experience or from seminars, training provided by the company. Employees should be able to maintain a good enough performance and be able to improve their optimal performance to contribute to organizational development, especially in BPJS Ketenagakerjaan, Surakarta Main Branch Office.
3) For future research, it should be able to develop a model or re-test the research conceptual model in order to obtain reinforcement for the findings of this study.

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