

The Effect of Talent Retention and Employee Engagement on the Performance of Study Employees at Automotive Companies in South Sulawesi

Andi Batary Citta¹, Nurdin Brasit², Nurdjanah Hamid³, Ria Mardiana Yusuf⁴

¹(Management, STIM Lasharan Jaya Makassar, Indonesia)

^{2,3,4}(Management, Hasanuddin University, Indonesia)

Abstract:- This study aims to determine the effect of talent retention and employee engagement on employee performance. This study uses quantitative research with multiple linear regression analysis, with a total of 51 respondents as automotive company employees. The results showed that the variable talent retention and employee engagement had a positive and significant effect on employee performance.

Keywords:- Talent Retention, Employee Engagement, Employee Performance.

I. INTRODUCTION

The concept of employee performance has high relevance to individuals because it is for the organization to meet the needs of the most important employee performance stakeholders because it reflects the expressions of the people in the organization. In the study of performance management, there are things that require important consideration because the individual performance of an employee in the organization is part of organizational performance, and can determine the performance of the organization. The success or failure of the employee's performance that has been achieved by the organization will be influenced by the level of performance of the employee individually or in groups.

To be able to improve employee performance, various efforts have been made to suit the company's goals, one of which is by implementing a talent management system, which includes aspects of managing a company's human resources. The implementation of good talent management ensures that the organization has human resources who are ready to execute strategies and continue to grow the organization for the better. But in fact, there are still some problems that are often faced by companies.

There are several common problems that occur in companies that cause a decrease in employee performance, namely conflicts between superiors and subordinates, unclear roles, low competence, employee dissatisfaction, lack of training, unclear job descriptions, incompatibility with the team, lack of appreciation and other problems. In general, the employee's performance in the company human resource team needs to analyze the causes that make employees ineffective in their work, so it is only natural that

until now the culture of resigning (leaving) from a company is common in some companies. To solve this problem requires serious handling by the company so that it does not happen again. Many companies have a hard time finding the best employees. This is because other companies are doing the same thing.

Furthermore, another variable that affects employee performance is employee engagement. Employee engagement was first put forward by, which states that individuals who are engaged in work will be connected to their role in working both physically, cognitively and emotionally, employees who are engaged will be committed and feel compelled to do something for the progress of the organization, rather than just stay silent. Employee engagement is linked to a positive sense of emotional attachment and employee commitment.

Thus, in the concept of employee engagement, it is a participatory process that uses employee input to increase commitment to achieve organizational success. Employees who are reluctant to their work will be more motivated, committed to the organization, productive, and satisfied with their work (Kompasiana, 2017).

This study aims to examine the direct relationship between talent retention, employee engagement and employee performance.

II. LITERATURE REVIEW AND FORMULATION OF HYPOTHESES

➤ *The Resource-Based View theory (RBV)*

The theoretical framework in this research is the Resource Based View (RBV) theory which underlies the grand theory of this writing. Resource-Based View (RBV) theory is known as a theory that looks at the ability of the company's internal resources to exploit internal resources to bring out competitive advantages, where these resources are of unique value, scarce and difficult to imitate.

RBV theory focuses on the internal organization / company competitiveness of the company as a very important process, in order to adapt to environmental changes, RBV considers the company's ability to be a process of creating, maintaining, and changing the ability of competing companies. (Winter 2003). The resource-based

view (RBV) provides an understanding of the importance of internal resources in achieving a sustainable competitive advantage. This perspective states that company performance is a function of the success of a leader (manager) in building his organization in order to maintain resources that are valuable, scarce, difficult to imitate and difficult to replace (Barney, 1991).

Sustainable Competitive Advantage relies on organizational resources that have valuable characteristics, steps (Rare), are difficult to imitate (Imperfectly imitable) and are difficult to replace (non-substitutable), with superior resources, the company is able to carry out a business strategy that ultimately brings the company a competitive advantage. To get human resources who have a competitive advantage, companies need to spend money in increasing the competence of employees. If company employees have a competitive advantage, it will have an impact on employee and company performance.

➤ *Talent Retention*

Schweyer (2004), sees talent retention as attracting, identifying, recruiting, developing, motivating, promoting and retaining people who have a strong potential to succeed in an organization. Likewise, Creelman (2004) sees talent retention as the process of inviting, attracting, and retaining personal talent. However, talent retention is all about what and how organizations bring in employees, nurture and develop them.

For that purpose, they will take various ways in developing, recruiting and retaining scarce workforce effectively, by seeing and continuously assessing the performance of employees (Ashton and Morton, 2005). Thus, talent retention refers to ensuring the right people to identify or recruit, develop and motivate, in such a way that they can fully contribute to their performance and the organization. Based on the research theory and talent retention variables, the hypothesis is:

H1: Talent retention has a positive and significant effect on employee performance.

➤ *Employee Engagement*

The word "engage" has various meanings and many researchers have different meanings about engagement. When an individual cares deeply about what he is doing and is committed to doing it the best he can, he will feel compelled to act rather than just be silent. This is part of engagement.

(Schaufelli, et al 2002) view employee engagement as a condition associated with a person's positive thoughts about their work which are characterized by enthusiasm, dedication and absorption. Enthusiasm (vigor), is a component of physical attachment at work, and persistence to overcome obstacles experienced at work. Second, dedication is a component of the emotional attachment of employees who are bound and experience feelings of importance, enthusiasm, inspiration, pride and challenges while doing their job. The third absorption (absorption) is a cognitive component of employee engagement seen when employees really concentrate and are very happy when doing their work. Absorbed individuals have difficulty separating from their jobs, and they assume that time will not be felt and will quickly pass if they are involved with the work. And this will give a great contribution to employee performance. Based on the research theory and talent retention variables, the hypothesis is:

H2: Employee Engagement has a positive and significant effect on employee performance.

III. RESEARCH METHODS

This research was conducted at one of the automotive companies in South Sulawesi, namely PT. Astra Isuzu Makassar. Primary data and secondary data were also used in this study, with the technique of collecting observation data, interviews and questionnaires. The population in this study were all employees of PT. Astra Isuzu Makassar with a total of fiftyone (51) employees. Sampling is done by total sampling or total sample saturation because the number of samples is less than one hundred people, so research can also be said with population research.

Research instrument Likert scale was used in this study, with multiple linear regression analysis with the help of the SPSS 23 tool.

IV. DATA ANALYSIS

1) Inferential Statistical Analysis

a. Validity Test and Reliability Test

Table of Validity Test Results Correlations

		Telent Retention	Employee Engagement	Employee Performance
Telent retention	Pearson Correlation	1	.916**	.961**
	Sig. (2-tailed)		.000	.000
	N	51	51	51
Employee Engagement	Pearson Correlation	.916**	1	.947**
	Sig. (2-tailed)	.000		.000
	N	51	51	51
Employee performance	Pearson Correlation	.961**	.947**	1
	Sig. (2-tailed)	.000	.000	
	N	51	51	51

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Data processed in 2020

Reliability Test Results Table

Variable	Cronbach's Alpha	standard of value	Keterangan
Talent Retention (X ₁)	0,922	≥ 0,06	Reliabel
Employee Engnagement (X ₂)	0,879	≥ 0,06	Reliabel
Kinerja Karyawan (Y)	0,903	≥ 0,06	Reliabel

Source: Data processed in 2020

Based on the table above, it can be seen that variable X1 (Talent Retention) has a Cronbach's alpha number of 0.922 or ≥ 0.06, indicating that the question item in variable X1 is feasible or reliable. Likewise, the variable X2 (Employee Engagement) has a cronbach's alpha number of 0.879 or ≥ 0.06 which indicates that the question items in variable X2 are feasible or reliable, and for variable Y (employee performance) it also has a cronbach's alpha number of 0.903. or ≥ 0.06 indicates that all question items in variable Y are feasible or reliable. Therefore, it can be concluded that the three variables both have a Cronbach alpha value ≥ 0.06. This shows that all the questions in the three variables are equally feasible or reliable.

a. Multiple Linear Regression Analysis

The results of this study using SPSS 22 as a tool for analyzing multiple linear regression models, can be seen in the following table:

Table of Multiple Linear Regression Test Results Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	14.810	1.599		9.260	.000
	Talenn Retention	.486	.066	.581	7.369	.000
	Employee Engagement	.453	.086	.415	5.260	.000

a. Dependent Variable: Employee performance

Sources of data were processed with SPSS in 2020

The test results of the multiple linear regression model are as follows:

$$Y = 14,810 + 0,486X_1 + 0,453X_2 + e$$

To answer the research hypothesis, three stages of testing were carried out, namely the t test (parcial), the F test

(simultaneous) and the coefficient of determination (R²) test. The results were found; For the significant value of the variable X1 (Talent Retention) to Y (Employee Performance), which is equal to 0.000 ≤ 0.05 and the value of tcount (7.369) ≥ t table (2.010), it can be concluded that the hypothesis H1 is accepted, Meanwhile, the significant value of the variable X2 (Employee Engagement) to the Y

variable (employee performance) is $0.000 \leq 0.05$ with a value of $t_{count} (5.260) \geq t_{table} (2.010)$ so it can be concluded that for H2 is accepted, which means that both hypotheses are supported.

V. DISCUSSION

1. The Effect of Talent Retention (X1) on Employee Performance (Y)

Talent retention refers to ensuring the right people to identify or recruit, develop, and motivate, in such a way that they can fully contribute to the organization. Talent retention as a broader concept, is known to attract, retain, and develop talent (D'Annunzio-Green, 2008).

The results of H1 testing, which allegedly had the effect of talent retention on employee performance, can be seen by looking at the t_{count} of 7.369 and t_{table} of 2.010 and a significant value of 0.000. Therefore, it can be concluded that if the t_{count} is $7.369 \geq 2.010$ and a significant value is $0.000 \leq 0.05$, this indicates that there is a positive and significant influence between the variable talent retention on employee performance.

2. Effect of Employee Engagement (X2) on Employee Performance (Y).

The concept of employee engagement is important in conceptualizing and determining the role of human capital in organizational performance, this factor can encourage employees to do maximum effort beyond what is expected (Vazirani, 2007). It even affects employees' decisions to stay and leave the company.

The results of H2 which are suspected of having the effect of employee engagement on employee performance can be seen by looking at t_{count} of 5,260 and t_{table} of 2,010 and a significant value of 0,000, therefore it can be concluded that if the t_{count} $5,260 \geq 2,010$ and a significant value of $0,000 \leq 0.05$, This shows that there is a positive and significant influence between employee engagement variables on employee performance.

VI. CONCLUSION

Based on the results of the t test (partial) on hypotheses H1 and H2, it can be concluded that talent retention and employee engagement have a positive and significant effect on employee performance at PT. Astra Isuzu Makassar.

LIMITATIONS AND SUGGESTIONS

This study has several limitations that may affect the results of the study. These limitations include, first, this study uses a quantitative research model using 51 samples, of course it is still lacking to describe the real situation, so it is recommended to add a few more samples. Second, further research is suggested to use other variables as moderating variables so as to add repertoire science.

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