

## **Talent Management Based Employee Performance Development Model of PT Pertamina RU-VI Balongan**

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**Abstract:** A healthy and competitive company requires good quality employees (HR). Good quality employees are, certainly, the employees who have the essential competences and potential for the company. Furthermore, the employees who have desired competences and potential tend to get good performance as well. Thus, the company needs a proper HR development model that is able to increase the competence and potential of employees so that they can improve their performance. In order to complement the need for a performance development model that suits the needs and problems of the company, the implementation of talent management is seen to be a potential solution. PT Pertamina RU-VI Balongan Indramayu has an employee performance development model based on talent management. PT Pertamina RU-VI Balongan Indramayu implemented the talent management system which contributed to the improvement of the quality of employee performance. The quality of employee performance has an impact on the quality of the company's competitiveness in competition in the business world. The employees of PT Pertamina RU-VI Balongan Indramayu hold the qualifications required by the company. The facts clearly explained that the talent management system has a very high correlation with employee performance at PT Pertamina RU-VI Balongan Indramayu. This can be seen in several variables which are: work attitudes, innovation capabilities, competencies and organizational citizenship behavior that are identified in the employees. Therefore, employees (HR) become very valuable assets for the company.

**Keywords:** Employee, employee performance, talent management

### **INTRODUCTION**

PT Pertamina RU-VI Balongan Indramayu is one of the seven oil refineries of the Direktorat Pengolahan PT Pertamina (Persero). The company is running the business in processing crude oil into fuel, non-fuel and petrochemicals products. The existence of RU VI Balongan is very strategic for Pertamina's line of business as well as for the national interest. The company operates a relatively new refinery with the implementation of the latest technology which makes Pertamina RU VI have high economic value. Producing superior products such as Premium, Pertamina, Pertamina Plus, Solar, Pertamina DEX, Kerosene (Kerosene), LPG and Propylene, Pertamina RU VI has a major contribution in generating

revenue for both PT Pertamina and the country. In line with the inevitable future business demands, PT Pertamina Balongan continues to develop its business potential through the application of new technology, the development of new superior products, as well as the application of international standards in the quality management system while keeping an eye on environmental sustainability. Therefore, competent employee performance is crucial in achieving company goals for PT Pertamina RU-VI.

A good company is the one that performs objective evaluation on the performance of its employees on a regular basis. Considering that the employees talent provides substantive support for their work within the company, which then directly contributes to the improvement of the company's performance. Human Resources (HR) at PT. Pertamina RU-VI Balongan is a human resource that is spread over diverse job functions according to their respective fields. Thus, it has been grouped into several sub-departments which are managed through talent management. Basically, PT Pertamina RU-VI Balongan acknowledges the importance of talent management as an effort to improve employee performance in order to achieve the company's established goals. Employee talent management becomes a strategic issue in the effort to increase its effectiveness and efficiency of the accomplishment of the company's duties and functions.

Talent management was born from the belief that talent distinguishes a superior organizational culture from the rest, as well as distinguishes whether a company or organization has a competitive advantage and one that does not. An excellent talent management is implemented across the level of positions and functions. Talent management, in theory, stated that a group of people whom a company wants to keep because of their strengths. Another meaning of talent management is a process to ensure that key positions in a company can be filled internally by putting a priority on establishing the development of the core talent group which consist of employees who have high skills and qualifications (talent pool). (Niko Satria Rachmadinata & Hani Gita Ayuningtias. 2017).

The importance of talent management in large companies, especially for companies on a national scale, is a company's effort and strategy in improving employee performance. In the context of talent management, the company identifies potential employees and prepares them to become future leaders. Preparing the employees who have the potential and competence is important to allow them to be able to help the company in solving any problems and constraints. Consequently, it has an impact on increasing the company's capacity and capability. Thus, talent management can help companies to retain qualified and competent human resources that provide indirect impact on employee performance.

According to state officials, performance (work related achievement) is the quality and quantity of work achieved by an employee in carrying out his duties in accordance with his/her responsibilities. Kemduian Hasibuan argues that performance (work related achievement) is a result achieved by a person in carrying out the tasks assigned to him or her based on their skills, experiences and sincerity and time. (Melvin Gredy Lolowang, et al. 2016). In other words, performance is the result of a process that refers to and is measured over a certain period of time based on predetermined terms or agreements. Meanwhile, according to Sutrisno (2016:172) performance is the result of employee work that is viewed from the aspects of quality, quantity, working time, and cooperation in order to achieve the goals set by the organization.

The need for employee performance development in a company can also be based on a company's need to improve its services to please their users or customers. Furthermore, it is supported by the company's need for human resources in accordance with the problems and conditions faced by the company, including how the company can adapt to global changes that occur in terms of information and communication technology. Therefore, the human resources needed by the company are the human resources who are able to provide extra hands for the company in facing these global challenges.

Long-term investment that is ideal for the company is implementing a strategy or building an employee development model through talent management. Indirectly, this investment will have an impact on increasing productivity, creativity and even professionalism of employees in carrying out their job description. Also, this will sustainably impact the company's achievement and success. Employee involvement and productivity in achieving targets will certainly increase the company's success. The employee development strategy is also viewed as the most important factor in terms of employee retention in the workplace. It means that, indirectly, the strategy of building employee performance development models can become a system of mutualism between employees and the company. Especially at this time, where the workforce is dominated by the millennial generation who, competent wise, do not have much experience in the actual work place but competent in certain fields, one of which is on the advancement of science and technology. What the company might be able to do is building a model for developing employee performance through talent management. However, the company still requires the implementation of training and coaching for its employees so that they are able to meet the requirements set by the company.

The employees training or coaching through employee training programs is intended to develop employees competency skills. This training program aims to improve and obtain maximum employee work achievement. With the increase in the expertise and competence of employees in their field of work, it will be directly correlated with the improvement of employee productivity for the company. The employees' expertise in certain jobs has a positive correlation with the achievement of company targets and goals. Therefore, an employee performance development model using talent management in a company is needed; for example, by implementing presentation training programs, communication training, training for trainers, etc.

Employee performance development based on talent management is basically more about preparing themselves to master new skills because they will be responsible to perform different jobs and usually require greater responsibility. The direction of the training program is increasing the capabilities and expertise of the company's human resources, related to the positions or functions as their responsibility for the company. The goal is to achieve an increase in the performance of individual employees in their positions or functions. Meanwhile, employee development is more formal in nature. This employee development involves anticipated individual abilities and expertise that must be prepared for the benefit of the employee's position in the future. The goal is more than mere training, such as increasing the individual's ability to anticipate changes that may occur in the future.

Basically there are several factors that can affect employee productivity in a company. These include team work, models and methods, mechanisms, rewards,

training/education and development. From those several factors mentioned before, based on the results of observations done by the author, they are related to the talent management-based employee performance development model carried out at PT Pertamina RU-VI Balongan in Indramayu. The importance of talent-based HR development management at PT Pertamina RU-VI Balongan must be addressed properly. This is required as the company's efforts to increase the company's productivity in achieving the company's targets and goals. The talent-based employee performance development program has not been maximized, which may serve as an obstacle for the company in achieving the company's targets. Companies should understand the development needs in relation to the work that is assigned to them.

## **RESEARCH METHODOLOGY**

In this research, the author utilised descriptive qualitative research. Qualitative research is defined as a research that is conducted with a case study method or approach. In its implementation, this research puts an intensive focus on one particular object which is studied as a case and used as an object of research. Case study data can be obtained from all involved parties, meaning that in this study research data was collected from various sources (Nawawi, 2003: 1). A good case study research must be taken directly in the real life of the case being studied. However, data in case study research is not only obtained from the primary sources but can also be extracted from other various sources or parties that fulfill the requirements as a reliable source to be further investigated for the case study. In other words, the data in case studies can be obtained from various sources but the data must be relevant for the case study (Nawawi, 2003: 2).

In this descriptive qualitative research, researchers used data collection techniques which were divided into two groups, namely primary data and secondary data. The primary data is categorised as direct information, caption and data from the field. This is obtained by observation, interviews, as well as documenting or archiving files related to the information required from this research. Then after obtaining the required data, the researcher take the acquired data to be further processed, or analysed. The data processing techniques can be described as follows;

### **1. Data induction theory**

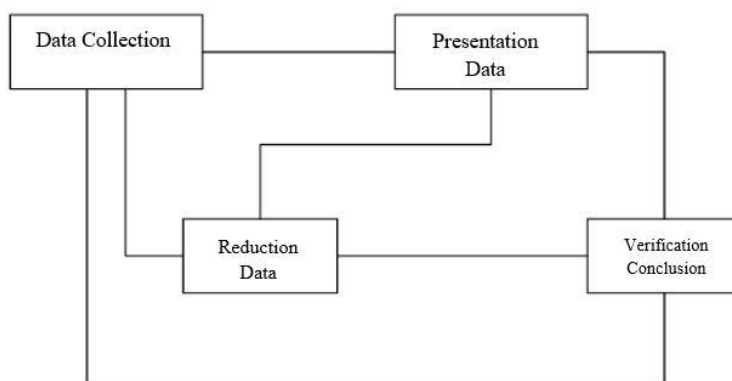
Researchers should focus their attention on the data in the field so that everything that is related to the research theory becomes invaluable. Data will be very important, while the theory will be built based on the data findings in the field. Data is everything that can solve all research problems.

The researcher puts their position as a researcher who is truly exploring the data, and if the researcher has, coincidentally, had sufficient theoretical understanding of the data that is being closely examined, then the process of making relevant theory must be done. Researchers believe that data must first be obtained to reveal the mystery of a research and new theories will be studied when all the required data have been secured (Bungin, 2001: 31).

### **2. Data reduction**

The process of data analysis was being performed concurrently with the data collection process. Thus, the process of data analysis should be done in several stages,

including through data reduction, data presentation, and verification. Nevertheless, the three stages were carried out simultaneously. The process is further described as follows:



**Figure 1. The data processing techniques Chart**

## **RESULT AND DISCUSSION**

### **A. Research result**

Human Resources (HR) is one of the most important factors for a company to achieve its business success. In this area, companies need human resources who have qualified competencies or talent. In recent years, talent management has become one of the important issues that have become a hot topic in the world of HR management. This is based on the logical consequence of a company in facing the problem of limited talent availability. On the other hand, the need for human resources who have good competence continues to increase. The increasing demand is basically caused by the existence of high quality human resources is the core ingredient for any company to sustain and thrive in the competitive market place. The HR performance gap in various strategic positions in a company is the leading cause of the HR piracy phenomenon. The piracy practice seems legitimate and is commonly done by using a lot of money, even seems irrational, to get the desired quality of human resources in a short period of time.

Through talent management, the company put its effort to develop and improve the performance of their employees as HR for better corporate goals. During the recruitment period, the company through the HR department usually conducts selection and screening process which is more focus on reviewing the educational background and experience of the applicants. Through this talent management system, these employees will receive HR training, skills-based recruitment, and others that are related to HR development and training in order to achieve the company's targets and goals.

In the talent management development process, companies must do several things, namely recruiting and selecting talented employees, companies must train so that employees understand the company well, companies must provide compensation according to the fields and talents possessed by employees and companies must take into account the retention strategies for employees who have proved their loyalty to the company so that the employees will be more likely to stay with the company and improve performance so that employees are able to achieve the quality of work that is expected by the company.

Performance is a term that comes from job performance or actual performance (job performance or actual achievement of a person). Employee performance (employee achievement) is the qualitative and quantitative results that are achieved by an employee in carrying out his duties in accordance with the responsibilities assigned to him. This definition is supported by the opinion of Armstrong and Baron. Performance is the result of work that has a strong relationship with the organization's strategic objectives, customer satisfaction and economic contribution.

Companies could improve employee performance by building an employee recruitment system with a selective mechanism, or recruiting employees who have the appropriate talents and competencies required by the company. Employees who have good credibility, innovation capability, high competency and organizational citizenship behavior can be captured, selected, developed and maintained by the company so that company goals can be achieved more easily. Therefore, talent management can be used by companies to acquire, develop and retain talented employees. Companies that have employees with talent that match the company's needs will make the company more competitive.

In terms of policy, the government has its own rules responding to labor issues. As stated in *Undang-Undang Nomor 13 Tahun 2003 tentang Ketenagakerjaan*. The government has made regulations regarding manpower, the regulations are well documented in the law, it is important to consider it as a reference for companies in managing and developing their human resources. Therefore, it is important for company leaders to understand the regulations of *Undang-Undang Nomor 13 Tahun 2003 tentang Ketenagakerjaan*, especially if the company is a government-owned company. A company in the development and empowerment of human resources, needs to comply with appropriate policies and be recognized by the government. Therefore, the existence of *Undang-Undang Nomor 13 Tahun 2003 tentang Ketenagakerjaan* provides goals for companies in terms of empowering and utilizing labor optimally and humanely. The regulation also explains that there will be guaranteed equal distribution of job opportunities and workforce availability that will meet the demand of national and regional development.

Looking at the bigger picture of *Undang-Undang Nomor 13 Tahun 2003*, it is illustrated that HR is a company asset that has rights and, at the same time, responsibilities. An employee needs to have the abilities and competencies required by the company, on the other hand companies also require competent human resources in order to maintain their business. Thus, the company cannot stand independently. It means that, in a company, there are two important elements which are business and employees. Entrepreneurs are owners or initiators as well as fund providers to build a profitable company. Meanwhile, workers are Human Resources who act to advance and develop the company to achieve targets. Consequently, it makes the company rely on supporting factors to achieve the company's goals and targets. The company will achieve its targets and goals when it has excellent employee performance.

The two elements between employers and employees that have been explained have been clearly regulated in the *UU Ketenagakerjaan* which explains the rights, obligations and laws related to employment between employers and workers, as regulated in *UU Ketenagakerjaan Nomor 13 Tahun 2003*. The implementation of this regulation is to ensure the existence of the fair portion of rights and obligations between two parties. However, even

though there is an official regulation of employment law, there are still some companies that often ignore this regulation so that the welfare of workers is being ignored or vice versa. In fact, the regulation was made to empower, provide protection, and provide employment opportunities to workers or employees. Therefore, in order to avoid this problem and realize the rights of workers in employment, employers and workers must understand *UU Ketenagakerjaan* which has been regulated in such a way.

## **B. Discussion**

Retaining people who have talent is very important. This is known as talent management. Michaels explains that talent management within a company is the company's specific steps to recruit, develop and retain a group of talented people. (Ivan Pengamanan et al. 2017). Researchers have an assumption that the implementation of talent management at PT Pertamina RU-VI Balongan Indramayu can improve employee performance. In other words, it can be explained that talent management has a very high correlation to employee performance at PT Pertamina RU-VI Balongan Indramayu. In a corporate environment, work attitudes, innovation capabilities, competencies and organizational citizenship behavior that are recognised in the employees become valuable assets for the company. This statement was derived from the research results of talent management that is applied in PT Pertamina RU-VI Balongan Indramayu in developing employee performance.

### **Employees Work Attitude**

Work attitude is any action or behaviour shown and everything that must be done by the employees whose results are proportional to their effort. Work attitude can also be interpreted as a reflection of the tendency to respond to certain matters consistently. In this case, employees of PT Pertamina RU-VI Balongan Indramayu have a tendency to consistently comply with company rules and can carry themselves in completing their responsibility or assignments. From several assessments of the work attitudes of PT Pertamina RU-VI Balongan Indramayu employees, there are three aspects being observed, namely job satisfaction, organizational commitment and work involvement.

Based on the research data, PT Pertamina RU-VI Balongan Indramayu employees have a very high job satisfaction; this can be expressed in the form of an assessment of their work achievement which is very satisfying. The implementation of tasks assigned to employees can be done properly. Then, on the organizational commitment side, PT Pertamina RU-VI Balongan Indramayu employees are able to comply with policies which have certain goals and have a strong commitment to the company. This fact is indicated from the employees commitment in executing their duties in accordance with the procedures and policies implemented by the company. And the last variable was being investigated, employees involvement in PT Pertamina RU-VI Balongan Indramayu, can be assessed from the enthusiasm of employees in carrying out the duties and responsibilities for the company.

### **Employee's innovation capability**

Employee innovation capability is the employee's ability to develop their competencies and innovate in their duties so that they can quickly and accurately respond to any technological changes and unexpected opportunities. An assessment of the innovation capability of PT Pertamina RU-VI Balongan Indramayu's employees shows that employees

tend to increase their capacity to develop and adapt to technology in carrying out their duties and responsibilities. So that in carrying out the duties, employees can develop a certain way in fulfilling their duties and tasks efficiently while maintaining very maximum achievements. In their capacity, employees of PT Pertamina RU-VI Balongan Indramayu always respond to changes and technological developments. This is intended to increase the achievement of maximum performance results expected by the company.

From the results of this study, employees of PT Pertamina RU-VI Balongan Indramayu were able to improve their innovation capabilities in the field of their job description. Therefore, innovation capability has a very strong correlation to the performance development of PT Pertamina RU-VI Balongan Indramayu employees. However, innovation capability can have an effect on the company's performance, but it depends on the complexity and market problems faced by the company itself. Thus, the more complex the conditions and problematic challenges that occur in the market, the stronger the influence of innovation capability on the employees.

### **Employee's competence**

Employee competence is an employee's individual character that can be observed from their behavior and work performance in carrying out their duties and responsibilities from the company. Companies can assess employee competencies in the context of employee work functions. Thus, competence has a certain degree of relationship with employee attitudes in carrying out the duties and responsibilities mandated by the company. Through employee competence, the company can determine the employee's abilities so that the company can find out the right and suitable position for the employees. Employee competence becomes a representation of employee performance so that the company becomes more aware of how an employee can be responsible in solving any problems related to their duties so that the company can accurately identify the strengths and weaknesses of its workers.

Taken from the field research results regarding the competencies of PT Pertamina RU-VI Balongan Indramayu employees, they found several findings, these include; 1). Employees have the work spirit to achieve the target (Achievement to work), 2). Employees have the ability to be thorough and have attention to work assignments (Concern for orders) that are mandated by the company, 3). Employees have a proactive attitude (Initiative), 4). Employees have a high attitude of curiosity (Information seeking), 5). Employees have a high attitude of empathy towards others (Interpersonal understanding), 6). Employee orientation towards satisfaction of performance results, and 7). Employees have diplomatic and persuasive communicative abilities (Communicative – Impact and influence). Thus, the results of this study indicate that the employees of PT Pertamina RU-VI Balongan Indramayu have optimal competence for the company.

### **Employee's organizational citizenship behavior**

Employees Organizational Citizenship Behavior (OCB), according to Robbin, is cooperative behavior and mutual help that are not regarded as formal requirements which have a very important effect for the organization to function. Additional behaviors outside of job descriptions in organizations are often referred to as citizenship behaviors. Organizational



citizenship behavior arises because there are a number of factors that cause an employee to do OCB. Organizational Citizenship Behavior (OCB) is an extra individual behavior, which cannot be directly or explicitly recognized in a formal work system, and is able to increase the effectiveness of organizational functions. Kumar, (2009) defines OCB as individual behavior that contributes to the creation of organizational effectiveness and is not directly related to the organization's reward system. Therefore, according to Wirawan, the factors that have significant influence on OCB are personality, organizational culture, organizational climate, job satisfaction, organizational commitment, transformational leadership & servant leadership, employee social responsibility, employee age, work involvement, collectivism and organizational justice. (Andi Hendrawan., et al, 2017)

From the results of field research as explained in the findings of work attitudes, innovation capabilities, and employee competencies, the OCB of PT Pertamina RU-VI Balongan Indramayu employees indicates good talent. This is based on the existence of a management system built by PT Pertamina RU-VI Balongan Indramayu based on talent management. Starting from the recruitment system to HR development that suits the company's needs. PT Pertamina RU-VI Balongan Indramayu owns human resources who have good talent so that employees are able to carry out the tasks and responsibilities given in accordance with the goals and targets set by the company. Environmental conditions and qualified resources make PT Pertamina RU-VI Balongan Indramayu have good competitiveness on a national and international scale.

## **CONCLUSION**

Employee performance development using the talent management system built by PT Pertamina RU-VI Balongan Indramayu has been running optimally. The system provides extensive support for the achievement of the goals, targets and objective set by PT Pertamina RU-VI Balongan Indramayu. Thus, the conclusion from the results of this research, the talent management system that is currently implemented by PT Pertamina RU-VI Balongan Indramayu is able to improve employee performance. This also indicates that the talent management built by PT Pertamina RU-VI Balongan Indramayu has been successfully improving the performance of its employees.

The performance development model based on talent management gives birth to very good competencies. Indirectly, the results of talent management have resulted in good employee performance. The higher the level of competence possessed by employees the higher the improvement they will make to their performance at PT. Pertamina RU-VI Balongan Indramayu. Thus, the results of the study showed that talent management has a positive correlation with the improvement of employee performance in a company. By building good talent management, it will produce good employee performance as well, and with the higher level of talent management will increase the competence of PT. Pertamina RU-VI Balongan Indramayu.

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### **Government Laws and Regulations**

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