

## THE IMPLEMENTATION OF TALENT MANAGEMENT IN IMPROVING ORGANIZATIONAL EFFECTIVENESS (CASE STUDY IN MINISTRY OF ENVIRONMENT AND FORESTRY)

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### Abstract

Effectively and efficiently managing talent in organizations of today can help companies to keep their best workers. Organizations that have the capacity to hire, groom, and retain talented workers could reach elevated performance levels, which could be beneficial to both the individual and the organization. Yet, many organizations experience issues when executing and maintaining talent management in their workplaces. This study investigates what challenges human resources and organizational development personnel encounter when implementing talent management in public sector organizations in Ministry of Environment and Forestry Indonesia. The research question for this study is: to explain and elaborate What challenges do state and local government agencies human resources and organizational development personnel encounter when implementing talent management ?. Thematic analysis was used to discuss the themes that were developed. Six themes were discovered: recruitment issues, lack of funding for resources (pay and budget), time-management (timeconstraints), competition, buy-in, and responses to change (accepting and resisting change). This study contributes to scholarly literature, provides overall knowledge about talent management challenges, and gives practical implications that many public sector organizations can use. Talent management will be present in Indonesia especially in Ministry of Environment and Forestry organizations. In addition, these public sector organizations have some robust programs in place. However, challenges still surface and some are beyond the control of human resources and organizational development personnel. Ministry of Environment and Forestry organizations must find ways to allocate additional funding to the development of talent, as these are the people who will become future leaders in organizations. The study findings may assist Ministry of Environment and Forestry organizations with creating and maintaining better talent management programs. Some recommendations for future research include conducting a qualitative research study that encompasses a larger population and sampling frame to add more perspectives from ex-employees and current employees, other than management and leadership. Another recommendation would be to study what challenges organizations face when talented employees leave. Also, future research could be to conduct a qualitative study that will consider what percentages of organizations experience difficulties during talent management implementation.

**Keywords :** Talent Management, Public Sector Organization, Ministry of Environment and Forestry

### INTRODUCTION

The enactment of Law (UU) Number 5 of 2014 concerning the State Civil Apparatus (ASN) marked the momentum for increasing professionalism in the government bureaucracy in Indonesia. The law explains that ASN Management is an ASN management system to produce ASN employees who are professional, have basic values, professional ethics, free from political intervention, clean from corruption, collusion and nepotism practices. The Government of Indonesia is taking serious steps to implement the ASN Management system and to increase employees to provide excellent service. Following up on the law, Government Regulation (PP) Number 11 of 2017 concerning Management of Civil Servants was issued which mandates all ministries/agencies/local governments to implement a merit system.

ASN Talent Management consists of National ASN Talent Management and Institutional ASN Talent Management. Based on the Regulation of the Minister of State Apparatus Empowerment and Bureaucratic Reform (PERMENPANRB) Number 3 of 2020

concerning Management of State Civil Apparatus Talent (ASN Talent Management), it explains that ASN Talent Management is an ASN career management system which includes the acquisition, development, retention and placement of talents that are prioritized for occupying the target position based on the highest potential level and performance through certain mechanisms that are implemented effectively and sustainably to meet the needs of Central Agencies and Regional Agencies.

Based on PERMENPANRB Number 3 of 2020, Explains the stages of implementation related to Talent Management, These are : 1) Acquisition, 2) Development, 3) Retention, 4) Placement, and 5) Monitoring and Evaluation. Besides that, Talent Management also really needs infrastructure that needs to be prepared, namely: 1) Map of positions that are currently and will be vacant and critical positions, 2) Talent profiles, 3) Position competency standards, 4) Career patterns, 5) Development programs, 6) Selection committee, 7) HR database, 8) Talent management information system, and 9) Budget.



Chart 1.1

In the Implementation of KLHK ASN Talent Management, in this case the Bureau of Personnel and Organizations in coordination with the Planning and Development Center and the Education and Training Center has attempted to implement the KLHK ASN Talent Management in accordance with the rules stated in PEREMENPANRB Number 3 of 2020 starting from acquisition, development, retention to talent placement, as for the process as follows:

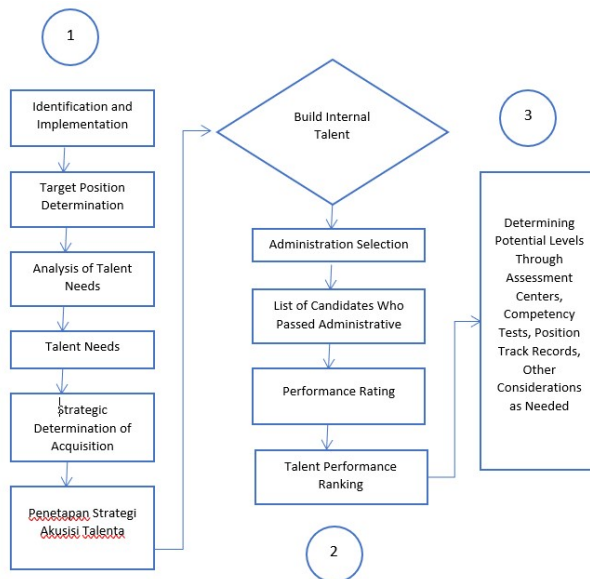


Figure 1.1. Work Relations Implementation of ASN Talent Management Talent Acquisition at the Ministry of Environment and Forestry

The explanation of the picture above is: The process of implementing talent management for ASN KLHK starts from Talent Acquisition where this process is carried out through stages such as Identification and Position Determination, Talent Needs Analysis, Determination of Acquisition Strategy and Determination of Succession Plan Groups.

In the talent acquisition process, this is a very important stage, talent search but must be carried out in a fast time or talent with certain skills or competencies is needed in order to get the right talent according to the needs of the organization. Furthermore, to be able to find potential candidates, it is necessary to carry out testing, measurement, and/or ranking by preparing the following components:

1. Performance Assessment Results
2. Assessment Center
3. Competence test
4. Track record
5. Other Considerations.

Currently, Talent Management Implementation at the Ministry of Environment and Forestry has been carried out for all ASN of the Ministry of Environment and Forestry in all positions, which include, High Leadership Positions, Administrator Positions, Supervisory Positions, Functional Positions, Implementing Positions, but the series of talent management implementations ASN which should be in accordance with PERMENPANRB has not run as a whole due to the absence of a Ministerial Regulation that regulates the implementation of Talent Management in the KLHK scope.

## LITERATURE REVIEW

### a. Definition of Talent Management

According to Dries (2013a), the concept of talent people has different meanings for different people (e.g. researchers, organizations, HR professionals, employees) and it is difficult to judge which one is more appropriate. In his research Tansley (2011) found that “there is no single or contemporary definition of talent in one language; there are different talent perspectives.” According to his explanation, “the meaning tends to be specific to an organization and is influenced by the nature of the work being performed.

Capelli and Keller (2014) argue that talent management is the process of anticipating and meeting organizational needs through a talent in strategic work. Through the management of a good talent management, the organization is expected to be able to increase profits such as attractiveness to the company and employee motivation and can provide a high impact so that the company has a significant advantage (Rachmawati, 2012).

Zhengyuan and Gang (2011) claim that talented people have special expertise and skills, and contribute to the benefit of society with creative work. Petersone, Ketners, and Krastins (2014) define talented people as highly skilled, educated, and prospective employees. Vural, Vardarlier, and Aykir (2012) argue that talent is partly innate and partly acquired through education, training, experience, and practice. Talent can be considered from an individual or organizational perspective. In considering talent from an individual perspective, it is necessary to have an understanding of the employee's current position in

the organization, and to determine where and how he/she wants to be positioned in the future (i.e. career planning). From the perspective of an organization, talent related to the concept of “the right person in the right position”; thus, talented people must perform tasks that are directed towards achieving organizational goals. Silzer and Church (2009) argue that consideration from the perspective of individual potential is directed at the opportunities open to individuals to become something more than what they currently are. According to Dries and Peppermans (2007), considering talented people from a performance perspective it is directed at the results that have been achieved, and not the inputs needed to achieve the results, because this happens in that perspective. The authors argue that this is a more general way of identifying talented people in organizations, as it is easier to measure results. Gallardo-Gallardo et al.

According to Meyers et al. (2013) talent management should be understood as a scientific discipline within the field of human resource management. Depending on the perspective from which the term is considered, Meyers et al. (2013) agree that the field of talent management usually only focuses on certain employees who are subjected to specific practices established in the field of human resource management. Thunnissen and Van Arensbergen (2015, pp. 182-183) claim that there are “five dimensions of the definition of talent management, namely (1) division along the subject (talent is a synonym for people) vs object (talent is a synonym for characteristics of people) dimension (Gallardo-Gallardo et al., 2013); (2) the division “between an inclusive view of talent and talent management (related to all employees) and an exclusive view (associated with selective employee groups)” (Thunnissen and Van Arensbergen, 2015, pp. 182-183) – or, as Buttiens and Hondeghem (2015), all employees are part of the talent management policy (inclusive view) or only the employee segment is part of the talent management policy (exclusive view) – or, as argued by Nijs et al. (2014) “everyone has a set of strengths (inclusive view) or a certain group (talent) makes a relative contribution (exclusive view) (Thunnissen and Van Arensbergen, 2015, pp. 182-183); (3) division according to talent – whether it is innate and stable or can be acquired and developed through training (Meyers et al., 2013); (4) division along inputs (ability and motivation) vs. outputs (excellent and successful performance) (Ross, 2013); (5) division according to the extent to which talent is conditional on its environment – whether it is transferable or context dependent (Dries, 2013b)” (Thunnissen and Van Arensbergen, 2015, pp. 182-183).

Buttiens and Hondeghem (2015) define talent management as a process that aims to attract, develop, and retain talent, which includes both employee and organizational perspectives. The authors argue that when developing talent, appropriate context, support, and congruence with individual, social, and organizational goals are necessary. Gadsen et. al (2017) defined talent management as the proactive recognition and development of employees at all levels in the organization, to help them reach their full potential in their workplace. Peterson et al. (2014) defines talent management as strategies, activities, tools, and processes that lead to the identification, motivation, retention and development of talented employees, in order to perform tasks effectively in accordance with future needs and trends.

Lewis and Heckman (2006) argue that:

1. talent management is fundamentally no different from human resource management; that is, they both involve getting the right job at the right time and managing the supply, demand, and flow of people through the organization; talent management also includes recruitment, selection, training, and assessment; However, the important question is how to strategically handle talent;
2. talent management integrated in human resource management with a selective focus; talent management can use the same tools as human resource management, but the focus is on a relatively small segment of the workforce, defined as “talented” based on their current performance or future potential; talent management also involves staffing processes, but all focus on talented individuals only;
3. talent management is focused on developing competence by directing the “flow of talent” within the organization; the emphasis is on the “pipeline” rather than on the “talent pool”, which is closely related to successful human resource planning, and focuses primarily on the perpetuation of talent;

Vural et al. (2012) argue that talent management is directing employees to their profession and exposing and managing their talent for it. The first step in the talent management process is to develop a strategy, in which focus should be placed on key employees whose talents are needed to achieve strategic goals in the future. Managers must continuously improve employee talent, provide training, and ensure their satisfaction, and thereby increase efficiency and competitiveness.

Retaining an employee who has great potential can be identified as one of the strategies for public and private sector management. This is the result of an imbalance of abilities, changes in employee demographics, and problems regarding differences in the division of work (Hyman and Summers, 2004). Meanwhile, the economic downturn had a significant impact on external recruitment, accompanied by a greater dependence on the capabilities of existing employees. Thus this problem explains the sustainability in talent development of each individual who is able to make the greatest contribution to organizational performance (*Charted Institute of Personnel and Development, CIPD, 2009a*).

#### **b. Talent Management Policy**

Talent Management Policy in the Bureaucracy in Indonesia has been explicitly stipulated in Government Regulation Number 11 of 2017 concerning Management of Civil Servants. Article 134 Paragraph 2 Letter “d” states that the Merit System applied in the Management of Civil Servants has criteria, among others, must have career management consisting of planning, development, career patterns, and succession planning groups obtained from talent management. The policy has been established approximately 2 (two) years ago, but until now its implementation is still partial. There are agencies that have just conducted a competency assessment as the initial stage of implementing Talent Management. There are also agencies that have carried out talent development without being preceded by a clear talent recruitment.

There are even agencies that have not done anything related to talent management. What actually got a good response from the ministries/institutions/local governments from the mandate of Law Number 5 of 2014 was the policy on the recruitment of High Leadership Positions (JPT). Almost all agencies currently have an open selection (open recruitment)

for filling JPT. On the other hand, the obligation to implement talent management which is both a mandate from this law has not received serious attention from almost all government agencies. Almost all agencies currently have an open selection (open recruitment) for filling JPT. On the other hand, the obligation to implement talent management which is both a mandate from this law has not received serious attention from almost all government agencies. Almost all agencies currently have an open selection (open recruitment) for filling JPT. On the other hand, the obligation to implement talent management which is both a mandate from this law has not received serious attention from almost all government agencies.

In general, the main objective of implementing this talent management policy is the realization of the right person on the right job in the management of human resources (HR) in government agencies. As emphasized by (Collins, 2001:5), "having the right people comes before having the right strategies", which emphasizes the importance of human resource placement in order to encourage organizational progress. The talent management policy is also an embodiment of the statement, "people are our greatest assets in organizations" in order to achieve organizational performance targets (Sears, 2003:4). The results of a McKinsey study on the "talent war" in 2001 showed that talent employees (or called a player) contributed to an average 40% increase in productivity on operational tasks, 49% on general managerial tasks, and 69% on sales tasks (Michaels, 2001). Since the results of this study were published, talent management has become very popular with the increasing number of studies, journal articles and books on talent management in various sectors (Iles P, 2010).

### **PERMENPAN RB NUMBER 3 YEAR 2020**

Based on the Regulation of the Minister for Empowerment of State Apparatus and Bureaucratic Reform of the Republic of Indonesia Number 3 of 2020, the objectives of ASN Talent Management are:

- Improving the achievement of strategic development goals
- Finding and preparing the best talents to fill key positions as future leaders and positions that support the organization's core business (core business) in order to optimize the achievement of organizational goals and accelerate national development
- Encouraging the improvement of the professionalism of the position, competence and performance of talents, as well as providing clarity and certainty of talent careers in the context of accelerating sustainable career development
- Realizing an objective, planned, open, timely, and accountable succession plan so as to strengthen and accelerate the application of the Merit System in Government Agencies.
- Ensure the availability of talent supply to align the right ASN with the right position at the right time based on the strategic objectives, mission and vision of the organization.
- Balancing between ASN career development and agency needs.

The National ASN Talent Management is determined and implemented by the National ASN Talent Management Team consisting of elements from the Ministry of State Apparatus Empowerment and Bureaucratic Reform, the Ministry of National Development Planning/Bappenas, the Ministry of Home Affairs, State Administration Institutions, the State Civil Service Agency, and the State Civil Apparatus Commission.

The Talent Management of ASN Agencies is determined and implemented by the Personnel Guidance Officer at each Ministry/Agency and Local Government. Government agencies are required to carry out

The Talent Management of ASN Institutions is based on a needs analysis that refers to the achievement of the vision, mission, goals, and objectives, as well as organizational strategies to realize national development priorities.

ASN Talent Management is supported by infrastructure consists of :

- Map of positions that are currently/will be vacant and critical positions
- Talent profile
- Standard methods and assessments in the assessment center and competency test methods that are set nationally
- Competency standards for each agency's position are in accordance with the Ministerial Regulation
- Real performance appraisal standards
- Career pattern
- National ASN talent management team; h. talent development program (ASN Corporate University/Cadre School/Learning Tasks)
- Selection committee
- Human resources (HR) database
- ASN talent management information system; and
- Budget

#### **LAW NUMBER 5 YEAR 2014**

One of the new paradigms of the ASN Law (Law Number 5 of 2014) is related to ASN Management which is organized based on the Merit System, which is based on qualifications, competencies, and performance in a fair and reasonable manner without distinction of political background, race, color, religion, origin, gender, marital status, generality, or disability. This ASN management includes the Management of Civil Servants (PNS) and Management of Government Employees with Work Agreements (PPPK). The authorized officials as referred to in this section provide recommendations for proposals to the Personnel Guidance Officer (PPK) in their respective agencies. "Authorized Officials propose the appointment, transfer, and dismissal of Administrative Officials and Functional Officers to the Personnel Guidance Officer in their respective agencies," reads Article 54 Paragraph (4) of this Law. The management of civil servants at the Central Agency, according to Law no. 5/2014, implemented by the central government, while the management of civil servants in regional agencies is carried out by local governments.

Article 56 of this Law emphasizes that every government agency is required to compile the requirements for the number and types of civil servant positions based on job analysis and workload analysis. The preparation of the needs as referred to is carried out for a period of 5 (five) years which is broken down per 1 (one) year based on priority needs. Based on the preparation of these requirements, the Minister of Administrative Reform

and Bureaucratic Reform (PAN-RB) determines the number and types of civil servants positions nationally. As for procurement, Article 58 of Law No. 5/2014 emphasizes that the procurement of civil servants is an activity to fill the needs of Administrative Positions and/or Functional Positions in a Government Agency, which is carried out based on the determination of needs determined by the Minister of PAN-RB. "The procurement of civil servants as intended is carried out through the stages of planning, announcement of vacancies, application, selection, announcement of selection results, probationary period, and appointment as civil servants," reads Article 58 Paragraph (4) of Law No. 5/2014 this.

The career development of civil servants is carried out based on qualifications, competencies, performance appraisals, and the needs of Government Agencies, which is carried out by considering integrity and morality. While the promotion of civil servants is carried out based on an objective comparison between the competencies, qualifications, and requirements required by the position, an assessment of work performance, leadership, cooperation, creativity, and consideration from the performance appraisal team of civil servants in government agencies, regardless of gender, ethnicity, religion, race, , and groups. "Every civil servant who meets the requirements has the same right to be promoted to a higher position, which is carried out by the Civil Service Supervisor after receiving consideration from the PNS performance appraisal team at Government Agencies," reads Article 72 Paragraph (3) [Law Number 5 of 2014](#) that.

As the definition of ASN contained in Law Number 5 of 2014 concerning ASN, that ASN is a profession which states that: "State Civil Apparatus, hereinafter abbreviated as ASN, is a profession for civil servants and government employees with work agreements working for government agencies. "

Because civil servants are professions, civil servants as citizens are entitled to professional protection from the state, and this is guaranteed by the constitution of the 1945 Constitution, namely; Article 27 paragraph (2) which reads "Every citizen has the right to work and a decent living for humanity." Article 28 D paragraph (2) which reads "Everyone has the right to work and receive fair and proper remuneration and treatment in an employment relationship." Therefore, civil servants as a profession, then all rights and obligations of civil servants must be equal, fair and equal to all kinds of work and professions in Indonesia.

The PNS profession in relation to the embodiment of the 1945 Constitution, namely the right to get a decent job and the right to get equal opportunities in government, as guaranteed in Article 27 paragraph (1) "All citizens have the same position in law and government and are obliged to uphold the law. and that government with no exception." And Article 28 (D) paragraph (3) which reads "Every citizen has the right to have equal opportunities in government." So the profession of civil servants to occupy state positions is their human right that should not be limited and amputated.

## RESEARCH METHODOLOGY

In carrying out a research, the research method is a very important part and will determine the success or failure of the research implementation. This study will use qualitative methods. According to Sugiarto (2017: 8), qualitative research is a type of research whose



findings are not obtained from statistical procedures or other forms of calculation and aims to reveal holistic-contextual symptoms through collecting data from natural backgrounds by utilizing the researcher himself as a key instrument.

In observation activities, there are three components that must be considered, namely activities (activities), space (space), and actors (actor). Researchers as human instruments always try to provide as much time as possible to be at the research location in order to obtain various information about the object of research. The steps in the observation activities are as follows:

1. Collecting data at the research location by focusing on research activities by observing various activities by paying attention to different places and times so as to open up opportunities for research subjects in disclosing their experiences. After that, the researcher can continue with the interview process to dig deeper into the research data.
2. Approach to the characters. Researchers can conduct interviews related to the strategy of assessing the phenomena faced by the informants.
3. Approach to related officials. In interviews with related officials, researchers should avoid formal interviews in order to get a natural atmosphere so that the information obtained is deeper.
4. Documentation technique. Documents or archives can be used as a source of secondary data as a complement to primary data conducted through interviews and observations related to the research topic.
5. Researchers identify and classify data that is fixed or does not change in various situations and conditions.
6. Test the objectivity and validity of the data. Researchers look at the reliability and validity of the research data.

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