

THE ROLE OF TALENT MANAGEMENT PRACTICES IN ENHANCING EMPLOYEE PERFORMANCE: A QUALITATIVE STUDY AT PT. ERA MULIA ABADI SEJAHTERA MALANG

Diding Setiawan P

Akademi Komunitas Teknologi Syarifuddin

ABSTRACT

This study examines how Talent Management (TM) practices influence employee performance at PT. Era Mulia Abadi Sejahtera Malang. Using a qualitative descriptive approach, data were collected through in-depth interviews, observation, and document review to explore talent attraction, development, retention, and succession planning strategies. The findings reveal that effective TM practices positively impact employee engagement, motivation, skill development, and overall performance. Challenges were identified in succession planning, performance monitoring, and training consistency. The study provides insights for strategic TM implementation in manufacturing and service-based companies and offers practical recommendations to enhance employee performance and organizational competitiveness.

Keywords: talent management, employee performance, qualitative research, employee engagement, PT Era Mulia Abadi Sejahtera Malang

INTRODUCTION

Talent Management (TM) has become an essential strategy for organizations striving to maintain competitiveness in an ever-evolving global landscape. As organizations increasingly recognize human capital as a key driver of long-term success, effective TM practices are pivotal in ensuring that businesses not only attract but also develop, retain, and optimize the potential of their employees. This approach is particularly critical in Indonesia, where companies face unique challenges driven by technological disruption, globalization, and shifting workforce expectations. These challenges make it imperative for companies to adopt TM strategies that align with their organizational goals and prepare them for future growth. For companies like PT. Era Mulia Abadi Sejahtera Malang, which operates in both manufacturing and service sectors, implementing robust TM practices is vital for driving operational efficiency, enhancing employee satisfaction, and achieving sustainable business performance.

Attracting the right talent is the cornerstone of any successful TM strategy. Organizations need individuals who not only possess the technical skills required for their roles but who also align with the company's culture and values. Research indicates that companies that invest in strategic recruitment processes are better equipped to retain top talent and improve long-term performance (Wijaya & Suryanto, 2022). For PT. Era Mulia Abadi Sejahtera Malang, the recruitment process must identify candidates who are adaptable, skilled, and capable of contributing to the company's strategic objectives. Given the company's dual focus on manufacturing and service, it is crucial to ensure that new hires are not only proficient in technical tasks but also able to navigate the challenges presented by technological advancements and the evolving expectations of customers. This alignment between individual capabilities and organizational goals helps foster a high-performing workforce that drives both operational excellence and innovation.

Once talent is attracted to the organization, it is equally important to focus on talent development. Continuous development opportunities help employees enhance their skills, stay abreast of industry trends, and increase their engagement with the company. Effective talent development programs include structured training, mentoring, coaching, and career development initiatives that help employees grow within the organization (Ramadhan et al., 2021). At PT. Era Mulia Abadi Sejahtera Malang, talent development programs play a crucial role in improving employee performance and satisfaction. By offering continuous opportunities for learning and growth, the company ensures that its workforce remains adaptable to changing industry demands. Moreover, development initiatives can foster leadership potential, preparing employees for higher responsibilities and enabling the company to build a pipeline of capable leaders for the future. This, in turn, contributes to a more resilient and future-ready organization.

Equally important is employee retention, which ensures that the organization can maintain its talent pool and prevent the loss of valuable knowledge. High employee turnover can disrupt operations, hinder productivity, and increase recruitment costs. Retention strategies, such as offering competitive salaries, career progression opportunities, work-life balance initiatives, and employee recognition programs, are crucial for maintaining employee satisfaction and reducing turnover rates (Hidayat & Nugroho, 2022). For PT. Era Mulia Abadi Sejahtera Malang, addressing the factors that influence turnover—such as career advancement opportunities, work environment, and recognition—is essential. By creating a supportive work environment and offering clear career development paths, the company can reduce the risk of losing its top talent and ensure that employees remain motivated and committed to achieving the organization's goals. Effective retention practices not only contribute to employee satisfaction but also foster long-term loyalty and a stronger organizational culture.

Another key aspect of TM is succession planning, which ensures that the organization is prepared for leadership transitions. Succession planning helps identify and develop high-potential employees who can step into critical roles as needed. Organizations that proactively plan for leadership transitions tend to experience smoother transitions and maintain operational stability (Kusumawati et al., 2023). PT. Era Mulia Abadi Sejahtera Malang has initiated succession planning efforts; however, formalizing these processes and systematically identifying high-potential employees is necessary for ensuring leadership continuity and long-term stability. By establishing a clear and structured succession plan, the company can mitigate risks associated with leadership gaps and ensure that key positions are filled by individuals who are capable of steering the organization toward continued success.

Employee engagement, closely tied to TM practices, is another crucial determinant of organizational performance. Engaged employees are more productive, motivated, and committed to their work, leading to improved organizational outcomes. Organizations that foster employee engagement through recognition, mentorship, and participatory decision-making processes tend to see higher levels of satisfaction, lower turnover, and improved performance (Alfiansyah et al., 2022). At PT. Era Mulia Abadi Sejahtera Malang, engagement strategies that include recognition programs and mentorship initiatives contribute to a work culture that values employee input and supports individual growth. This, in turn, creates a more motivated and productive workforce that is eager to contribute to the company's goals. Furthermore, engaged employees are more likely to embrace change and contribute to the company's

innovation efforts, which are essential for maintaining a competitive advantage in today's dynamic market.

Finally, the integration of performance appraisal systems with TM practices is essential for aligning employee performance with organizational objectives. Transparent and consistent performance evaluations not only clarify expectations but also provide valuable feedback for employee development (Rachman & Dewi, 2023). By linking performance appraisals with TM strategies, PT. Era Mulia Abadi Sejahtera Malang can ensure that employees are continuously developing their skills in line with the company's evolving needs. Performance appraisals also serve as a means to recognize and reward top performers, further enhancing motivation and job satisfaction. The alignment between performance goals and individual development is critical for maintaining a motivated and high-performing workforce.

Despite the clear benefits of TM, many companies in Indonesia, including PT. Era Mulia Abadi Sejahtera Malang, face challenges in implementing effective TM practices. These challenges include limited human resources, inconsistent training programs, and lack of clarity in career progression and succession planning (Hendri, 2021). By examining the current TM practices at PT. Era Mulia Abadi Sejahtera Malang, this study aims to identify strengths and gaps in the company's approach to talent management and provide recommendations for improving employee performance and organizational effectiveness. Addressing these gaps will enable the company to strengthen its TM practices, optimize its talent pool, and ultimately position itself for long-term success in an increasingly competitive marketplace.

This research, therefore, seeks to examine the impact of TM practices on employee performance at PT. Era Mulia Abadi Sejahtera Malang, focusing on talent attraction, development, retention, and succession planning. By providing both theoretical insights and practical recommendations, the study aims to offer actionable strategies that can help optimize TM practices, leading to improved employee performance and enhanced organizational outcomes. Ultimately, the goal is to ensure that the company can harness its human capital to meet current and future challenges, thereby achieving long-term sustainability and success in a rapidly changing business environment.

RESEARCH METHOD

This study employs a qualitative descriptive approach to provide in-depth insights into TM practices and their impact on employee performance. The qualitative design is appropriate because it captures employee experiences, organizational processes, and management practices that cannot be fully quantified (Creswell, 2021).

Data collection involved semi-structured interviews, observations, and document analysis. Interviews were conducted with HR managers, supervisors, and employees across different departments. The questions explored experiences and perceptions related to talent attraction, development, engagement, retention, and succession planning. Open-ended questions allowed participants to elaborate on challenges, successes, and suggestions regarding TM practices.

Observations were performed in the workplace to capture employee interactions, supervisor-employee dynamics, mentoring sessions, and team collaboration. Observation data provided contextual understanding of TM implementation and its effects on daily operations.

Document analysis included HR manuals, training schedules, performance records, retention policies, and succession plans. Document review allowed validation and triangulation of interview and observation findings.

Data analysis followed Miles & Huberman's (2020) interactive model, including data reduction, data display, and conclusion drawing. Coding procedures—open, axial, and selective coding—were applied to identify themes related to TM practices and employee performance. Triangulation ensured credibility, reliability, and methodological rigor.

RESULTS AND DISCUSSION

The findings from this study provide a comprehensive analysis of the Talent Management (TM) practices at PT. Era Mulia Abadi Sejahtera Malang, highlighting both strengths and areas for improvement. The analysis demonstrates that while TM practices have had a positive impact on employee performance, several aspects require refinement and further development to enhance their effectiveness. Specifically, the practices surrounding talent attraction, development, retention, succession planning, and employee engagement play crucial roles in shaping the company's overall workforce performance and operational success. By deepening the understanding of these practices and making necessary adjustments, PT. Era Mulia Abadi Sejahtera Malang can better align its TM strategy with organizational goals and improve employee satisfaction and performance outcomes.

Talent Attraction Practices

The talent attraction practices at PT. Era Mulia Abadi Sejahtera Malang are structured and comprehensive but could benefit from further refinement. The company has implemented a recruitment strategy that places significant emphasis on technical competencies and operational suitability, ensuring that new hires are able to perform the core tasks required in their roles. However, one of the key areas identified for improvement by employees is the alignment of recruitment practices with organizational culture and behavioral competencies. Although technical skills are critical, the company may not be fully considering the importance of "cultural fit," which has been increasingly recognized as essential for long-term employee success and job satisfaction. Employees suggested that recruitment processes should place greater emphasis on behavioral traits, values, and alignment with the company's mission and culture. This aligns with the findings by Wijaya & Suryanto (2022), who highlighted that strategic recruitment practices that balance both technical qualifications and cultural fit lead to better employee engagement, performance, and retention. Furthermore, employees indicated that clearer and more transparent recruitment criteria could lead to better engagement and improved outcomes. If candidates better understand the expectations regarding both technical and cultural competencies, they are more likely to be motivated and engaged from the outset.

Talent Development Programs

Talent development practices at PT. Era Mulia Abadi Sejahtera Malang show a positive influence on employee performance, as training, mentoring, and on-the-job coaching have significantly enhanced employees' operational accuracy, job confidence, and overall job satisfaction. Many employees reported that structured development initiatives contributed to higher levels of engagement and a greater sense of

accomplishment in their daily work. They also expressed appreciation for the support provided through mentoring and coaching, as these initiatives helped them navigate their roles more effectively. However, despite these positive outcomes, a notable issue raised by employees is the inconsistency in the frequency and accessibility of training across different departments. Some departments have greater access to professional development resources, while others lack regular training opportunities. This disparity could lead to unequal skill development across the organization and hinder overall performance.

Ramadhan et al. (2021) emphasize that a structured and accessible development program is essential for fostering workforce capability and improving long-term organizational performance. In the case of PT. Era Mulia Abadi Sejahtera Malang, standardizing development opportunities across all departments and ensuring consistent access to training resources would help to create a more equitable learning environment. Additionally, offering a broader range of development opportunities, such as online courses or cross-departmental training programs, would help ensure that all employees have the opportunity to enhance their skills and competencies, regardless of their department. A more uniform approach to development would not only increase overall employee satisfaction but also strengthen the company's ability to meet evolving business challenges with a highly skilled and adaptable workforce.

Retention Strategies

Retention practices at PT. Era Mulia Abadi Sejahtera Malang are moderately effective, but improvements are needed to address underlying concerns regarding career progression and employee recognition. Employees reported feeling appreciated when recognized for their work, and the availability of promotions was seen as a positive aspect of the retention strategy. However, many employees expressed frustration with the limited opportunities for career advancement and the slow pace at which promotions are offered. In particular, there were concerns that the promotion process lacks transparency, and employees often feel uncertain about what is required for advancement. Hidayat & Nugroho (2022) argue that retention strategies that include clear career progression paths, effective recognition, and timely promotions are critical to maintaining a motivated workforce and reducing turnover. The current retention strategies at PT. Era Mulia Abadi Sejahtera Malang, while appreciated, fall short in providing a clear and structured path for career growth, which may lead to dissatisfaction among employees who feel that their efforts are not being adequately rewarded or recognized.

To enhance retention, PT. Era Mulia Abadi Sejahtera Malang should consider formalizing the career progression process, ensuring that employees have a clear understanding of the requirements for advancement. This could include regular performance reviews that focus not only on current job performance but also on career development goals and opportunities for growth within the company. Additionally, strengthening the employee recognition programs and ensuring that they are consistent across departments will contribute to a stronger sense of value and appreciation among employees. By offering more structured career development programs and clearer advancement opportunities, PT. Era Mulia Abadi Sejahtera Malang can reduce turnover, improve employee morale, and build a more committed and loyal workforce.

Succession Planning

Succession planning at PT. Era Mulia Abadi Sejahtera Malang is in its early stages, and while the company has identified potential successors for key roles, there are no formalized leadership development programs in place. Employees reported that the lack of a structured and systematic approach to leadership development has created concerns about leadership continuity and the organization's ability to manage transitions effectively. The absence of formal succession planning hinders the company's ability to prepare high-potential employees for leadership roles, potentially compromising organizational stability and operational continuity in the long term. Kusumawati et al. (2023) emphasize that succession planning is essential for building a strong leadership pipeline and maintaining organizational resilience, particularly in the face of turnover or other leadership changes.

To address these concerns, PT. Era Mulia Abadi Sejahtera Malang should consider formalizing its succession planning process. This could involve identifying high-potential employees and providing them with targeted leadership development opportunities, including mentorship, training, and strategic projects that allow them to demonstrate and hone their leadership skills. Additionally, creating a clear roadmap for leadership transitions will help ensure that the company is prepared for future leadership changes and can maintain operational stability. By strengthening succession planning, the company will not only ensure continuity in key leadership roles but also increase organizational resilience and ensure that leadership transitions are smooth and effective.

Employee Engagement

Employee engagement at PT. Era Mulia Abadi Sejahtera Malang is positively influenced by the company's TM practices, particularly through recognition, career development programs, and performance feedback mechanisms. Employees reported that recognition programs, such as employee-of-the-month awards and appreciation from management, contributed to a greater sense of value and motivation. Furthermore, employees who had the opportunity to participate in career development programs expressed higher levels of engagement, feeling more invested in the company's long-term success. Performance appraisal systems were also found to play a key role in enhancing engagement, as they provide employees with feedback on their performance and help them understand how they contribute to the company's objectives. These findings are in line with the work of Rachman & Dewi (2023), who found that clear and consistent performance feedback enhances engagement and improves job satisfaction.

However, there is room for improvement in ensuring that engagement strategies are applied uniformly across departments. Some employees noted that certain departments have more frequent or personalized recognition and feedback, which creates disparities in how employees perceive their engagement and connection to the company. Standardizing engagement initiatives across all levels and departments will help create a more consistent and inclusive work environment, ensuring that all employees feel equally valued and supported. By continuing to foster a culture of recognition, feedback, and growth opportunities, PT. Era Mulia Abadi Sejahtera Malang can further enhance employee engagement, which will have a positive impact on performance and overall organizational effectiveness.

Overall Impact of Talent Management Practices

In conclusion, the TM practices at PT. Era Mulia Abadi Sejahtera Malang have a significant and positive impact on employee performance. Talent development, recognition, and leadership strategies play a critical role in motivating employees, enhancing their skills, and improving overall organizational outcomes. The company's TM practices, when aligned with employee needs and expectations, have been shown to foster a more engaged, satisfied, and productive workforce. However, the study also identifies areas where PT. Era Mulia Abadi Sejahtera Malang could further strengthen its TM practices to better support employee performance and organizational success.

By addressing gaps in talent attraction, retention, succession planning, and engagement, PT. Era Mulia Abadi Sejahtera Malang can create a more cohesive and effective TM strategy that will support both immediate operational goals and long-term organizational growth. Strengthening and formalizing these processes will not only improve performance outcomes but also help ensure the company remains competitive in an increasingly complex and fast-changing market. Ultimately, the study underscores the importance of TM as a strategic lever for enhancing organizational competitiveness, and highlights the potential for PT. Era Mulia Abadi Sejahtera Malang to leverage its TM practices to foster long-term success.

Discussion

This study's findings on the Talent Management (TM) practices at PT. Era Mulia Abadi Sejahtera Malang are largely consistent with the results found in prior research and align with several key concepts in grand theory related to Human Resource Management (HRM) and organizational behavior. However, the study also reveals certain areas that require further exploration and refinement, which are addressed through the lens of both prior research and grand theory. In this section, we will compare the study's findings with existing literature and theoretical frameworks to assess the relevance and consistency of these results.

The findings of this study regarding talent attraction at PT. Era Mulia Abadi Sejahtera Malang align with the existing literature on the importance of recruiting for both technical skills and cultural fit. The company's emphasis on recruiting for technical competencies and operational suitability is in line with previous studies (Wijaya & Suryanto, 2022), which highlight the importance of recruitment processes that target immediate performance needs. However, the study also identifies a gap in integrating cultural fit and behavioral competencies, which could further enhance the recruitment process.

This insight is consistent with grand theories in HRM, such as Person-Organization Fit Theory (Kristof-Brown et al., 2005), which emphasizes the importance of aligning an employee's values and behaviors with the organization's culture to promote long-term job satisfaction and organizational commitment. The theory suggests that individuals who fit well with the organization's culture are more likely to be engaged, productive, and retained, making this alignment crucial for PT. Era Mulia Abadi Sejahtera Malang. Prior research by Kristof-Brown et al. (2005) supports the notion that recruitment should consider both technical skills and cultural fit to ensure better outcomes in terms of performance and retention.

Regarding talent development, the study's findings support prior research on the importance of structured training and development programs for enhancing employee

performance (Ramadhan et al., 2021). The positive impact of mentoring, on-the-job coaching, and training on operational accuracy and job confidence aligns with Human Capital Theory (Becker, 1964), which posits that investing in employees' skills and knowledge leads to increased productivity and organizational effectiveness. The finding that development programs contribute to higher levels of employee engagement and job satisfaction is consistent with this theory, which emphasizes that investing in human capital results in better performance outcomes.

However, the study also reveals a gap in the consistency and accessibility of development programs across departments, a finding that contrasts with the ideal of equal access to professional development opportunities. This inconsistency may suggest that the company's talent development efforts are not as standardized or accessible as they could be, which is a critical limitation in leveraging human capital across the organization. This gap, as pointed out by Ramadhan et al. (2021), underscores the importance of creating standardized development programs to ensure that all employees, regardless of their department or position, can benefit equally from development opportunities. Therefore, aligning development practices with the principles of Human Capital Theory would suggest the need for a more consistent and equitable approach to training and development.

In terms of retention, the study's findings largely corroborate existing literature, especially in regard to the need for clear career progression, recognition, and transparent promotion practices. Hidayat & Nugroho (2022) found that retention strategies focused on career advancement opportunities, employee recognition, and work-life balance significantly improve employee satisfaction and reduce turnover. The employees at PT. Era Mulia Abadi Sejahtera Malang reported appreciation for the recognition programs but were concerned about the lack of career progression clarity, a finding that mirrors common challenges highlighted in previous studies on retention.

From a theoretical perspective, Maslow's Hierarchy of Needs (Maslow, 1943) offers a useful framework for understanding the gap in retention strategies. According to Maslow, employees need to satisfy not only their basic physiological needs but also higher-order needs, such as esteem and self-actualization. Clear career advancement opportunities and recognition programs meet these higher-order needs and contribute to employee motivation and retention. The absence of a structured career path at PT. Era Mulia Abadi Sejahtera Malang suggests that the company has not fully addressed these motivational needs, potentially leading to lower levels of employee engagement and increased turnover.

To improve retention, PT. Era Mulia Abadi Sejahtera Malang should consider formalizing career development processes and providing more transparent and accessible pathways for career advancement. This would address the employees' need for recognition and career growth, directly enhancing retention rates and employee satisfaction, as suggested by Hidayat & Nugroho (2022).

Conclusion

Talent Management (TM) practices at PT. Era Mulia Abadi Sejahtera Malang are crucial in driving employee performance and fostering organizational success. The company's efforts in talent attraction, development, retention, and succession planning have shown positive results in enhancing the capabilities of its workforce and aligning employee goals with organizational objectives. By focusing on attracting skilled talent, offering development opportunities, and providing recognition and career advancement

prospects, PT. Era Mulia Abadi Sejahtera Malang has demonstrated a commitment to building a strong, motivated, and engaged workforce. These TM practices have been integral in improving employee performance and contributing to the company's operational success, as they align well with established best practices and theoretical models in the field of Human Resource Management.

However, despite these positive efforts, there are several critical gaps that need to be addressed to fully optimize the impact of TM practices at the company. One of the primary gaps identified in this study is in succession planning, where the company has yet to implement a fully formalized and systematic approach to identifying and developing future leaders. Although potential successors are recognized, the lack of structured leadership development programs limits the company's ability to ensure smooth leadership transitions and maintain organizational stability in the long term. To mitigate this, PT. Era Mulia Abadi Sejahtera Malang should prioritize formalizing its succession planning processes by creating a clear framework for leadership development and ensuring high-potential employees are equipped with the skills and experiences necessary to take on leadership roles in the future.

References

- Alfiansyah, M., Priyono, A., & Yuliani, E. (2022). Employee engagement and its impact on performance: Evidence from Indonesian companies. *Journal of Workplace Performance*, 14(3), 211–225.
- Collings, D., & Mellahi, K. (2020). Strategic talent management: A review and research agenda. *Human Resource Management Review*, 30(2), 1–15.
- Creswell, J. W. (2021). *Qualitative research design* (4th ed.). Sage Publications.
- Hendri, N. (2021). Human resource management practices and employee performance. *Management Research Review*, 44(5), 671–690.
- Hidayat, R., & Nugroho, A. (2022). Retention strategies and employee performance in Indonesian manufacturing. *Journal of Human Capital Development*, 21(1), 34–50.
- Kusumawati, R., Santoso, H., & Putra, Y. (2023). Succession planning and leadership development: Evidence from Indonesian companies. *Journal of Business Strategy*, 15(1), 77–92.
- Prasetyo, A., Suryani, D., & Wibowo, T. (2021). Strategic human resource management in Indonesia. *Asian Management Review*, 12(2), 105–122.
- Ramadhan, F., Lestari, D., & Prabowo, R. (2021). Talent development practices and employee engagement. *Industrial Workforce Journal*, 6(2), 45–60.
- Rachman, T., & Dewi, P. (2023). Performance appraisal systems as a motivator for employee development. *Human Resource Development Review*, 18(2), 122–139.
- Santoso, H., Putra, Y., & Malik, A. (2022). HRM strategies in Indonesian manufacturing companies. *Journal of Business and Management Research*, 23(1), 33–47.
- Wijaya, I., & Suryanto, B. (2022). Talent attraction and retention practices in emerging markets. *Journal of Human Resource Studies*, 10(3), 101–115.