



The Influence of Talent Management and Knowledge Management on the Performance of Employees with Engagement Employees as an Intervening Variable in PT. Bank Sumut Head Office Medan

Fernando Napitupulu^{1*}, Elisabet Siahaan², R Hamdani Harahap³
^{1,2,3}Magister Ilmu Manajemen, Fakultas Ekonomi dan Bisnis, Universitas Sumatera Utara

Corresponding Author: Fernando Napitupulu, napitupulufernando7@gmail.com

ARTICLE INFO

Keywords: Talent Management, Knowledge Management, Employee Engagement, Employee Performance

Received : 2, December
Revised : 16, December
Accepted: 30, December

©2024 Napitupulu, Siahaan, Harahap: This is an open-access article distributed under the terms of the [Creative Commons Attribution 4.0 International](https://creativecommons.org/licenses/by/4.0/).



ABSTRACT

This study aims to analyze the influence of talent management and knowledge management on employee performance, with employee attachment as an intervening variable at PT Bank Sumut Medan Head Office. The study used a quantitative approach with an associative research design, involving 83 employees who were selected through the proportional random sampling technique. Data were collected using questionnaires and analyzed using the Partial Least Squares-Structural Equation Modeling (PLS-SEM) method. The results of the study show that talent management and knowledge management have a significant positive influence on employee engagement. Employee attachment also has a significant positive effect on employee performance. In addition, employee attachment mediates the influence of talent management and knowledge management on employee performance. These findings confirm the importance of a holistic strategy in human resource management to improve performance. The implications of the research include the need for strategic talent management, the development of knowledge management infrastructure, and programs that support the work-life balance of employees. This research contributes to the academic literature in the field of human resource management and provides practical guidance for organizations in designing employee performance improvement strategies.

INTRODUCTION

Employee performance is a key element in achieving company goals and improving operations. As one of the leading financial institutions in North Sumatra, PT Bank Sumut faces various challenges in managing human resources, especially in ensuring optimal productivity and employee engagement. The bank has a long history of providing financial services to the public, but the increasingly fierce competition in the banking industry and the need to adapt to changing technology and business environment demand more strategic management of human resources.

Talent management and knowledge management are two approaches that are considered capable of supporting companies in improving employee performance. Talent management focuses on identifying, developing, and retaining high-potential employees, while knowledge management is oriented toward managing employee information and skills to create an innovative and productive work environment. Both of these strategies can increase employee engagement, i.e. their emotional and cognitive commitment to the company.

Employee engagement plays an important role as a bridge between human resource management and performance. Previous research has shown that high engagement can increase employee motivation, loyalty, and productivity. However, effective implementation of talent and knowledge management to improve employee engagement and performance is still a challenge, especially in the context of the local banking industry such as PT Bank Sumut.

Based on this phenomenon, this study aims to analyze the influence of talent management and knowledge management on employee performance, with employee attachment as an intervening variable. This research is expected to provide new insights for companies in designing more effective human resource management strategies, as well as contributing to academic literature in the field of management.

THEORETICAL REVIEW

Human Resource Management

Human resources management is a series of organizational activities directed to attract, develop, and retain an effective workforce. According to (Hasibuan, 2017) human resource management is the science and art of regulating labor relations and roles to be effective and efficient in helping to realize the goals of the company, employees, and society.

Employee Performance

According to (Wibowo, 2016) the definition of Employee Performance is about doing the work and the results achieved from the work, about what is done and how to do it. Meanwhile, according to (Affandi, 2018) Performance is the result of work that can be achieved by a person or group of people in a company in accordance with their respective authorities and responsibilities in an effort to achieve organizational goals legally, not violating the law and not contrary to morals and ethics.

Employee Engagement

Employee engagement is a sense of emotional attachment to work and the organization, motivated and able to give their best to help succeed from a series of tangible benefits to the organization and individuals, (Raymond, 2013) believes it is very helpful to see *employee engagement* as a way of working designed to ensure that employees are committed to their organization's goals and values, motivated to contribute to the organization's success, and at the same time able to increase their sense of well-being. Engaged organizations have authentic strength and value, with clear evidence of trust and fairness based on mutual respect, where both have promises and commitments between *employers* and *employees* that are understood and fulfilled (Raymond, 2013).

Talent Management

Talent management is a comprehensive and integrated process to create a talent pool within an organization, in order to achieve organizational goals. The talent management process includes identifying, developing, recruiting, retaining and employing talented people in the organization (Armstrong & Taylor, 2014). Research (Pandita & Ray 2018) concludes that talent management is divided into 6 stages, namely: talent planning, talent acquisition, talent development, talent placement, talent retention, and talent evaluation.

Knowledge Management

According to Kusumadmo (2013), *knowledge management* is the process of applying a systematic approach to capture, structure, manage, and disseminate knowledge throughout the organization so that it can be used to work faster, reuse "best practices", and can reduce expensive costs from project to project that has already been done. According to Cummings (2015) who stated that: "*Knowledge Management* is knowledge owned by employees who stay and become company assets even though they have physically left the company and through *knowledge management* the company can learn quickly so that it is adaptive to changes that occur".

METHODOLOGY

Type of Research

This study uses a quantitative approach with an associative research design. Associative research aims to determine the cause-and-effect relationship between independent variables (talent management and knowledge management) and dependent variables (employee performance), with employee attachment as an intervening variable.

Population and Sample

The population in this study is all employees of PT Bank Sumut Medan Head Office which totals 473 people. The research sample was taken using the proportional random sampling technique, with a sample of 83 employees calculated based on the Slovin formula with a confidence level of 95%.

Data Collection Techniques

Data is collected through:

1. Questionnaire: The main instrument that contains structured questions regarding talent management, knowledge management, employee engagement, and employee performance.
2. Documentation: Secondary data collection such as PT Bank Sumut's annual report and related literature.

Research Instruments

The research questionnaire was compiled on a Likert scale with five levels, ranging from "strongly disagree" to "strongly agree." Validity and reliability tests are carried out to ensure that the instrument meets valid and reliable criteria.

Data Analysis Techniques

The data was analyzed using the Partial Least Squares-Structural Equation Modeling (PLS-SEM) method. The analysis procedure includes:

1. Outer Model Test: Tests the validity and reliability of the construct.
2. Inner Model Test: Tests the relationship between latent variables and measures the predictive power of the model.
3. Hypothesis Testing: Using t-statistic and p-value values to determine the significance of the relationship between variables.

RESULTS

This study aims to analyze the influence of talent management and knowledge management on employee performance, with employee attachment as an intervening variable at PT Bank Sumut Medan Head Office. Here are the key findings from the data analysis:

Direct Influence of Talent Management on Employee Engagement

The results of the study show that talent management has a significant positive influence on employee engagement. A path coefficient value of 0.45 with a t-statistic value of 4.21 ($p < 0.05$) indicates that talent management efforts are strategically able to increase employee engagement with the organization.

The Direct Influence of Knowledge Management on Employee Engagement

Knowledge management has also been shown to have a significant positive influence on employee engagement. A path coefficient value of 0.39 with a t-statistic value of 3.85 ($p < 0.05$) indicates that employees who feel involved in the creation and dissemination of knowledge have a higher level of attachment.

The Direct Influence of Employee Engagement on Employee Performance

Employee engagement has a significant positive influence on employee performance. A path coefficient value of 0.51 with a t-statistic value of 5.02 ($p < 0.05$) confirms that employees who are more attached to the organization show more optimal performance.

Indirect Influence through Employee Engagement

Employee engagement mediates the influence of talent management and knowledge management on employee performance significantly. The total influence of talent management on performance through attachment is 0.23, while the total influence of knowledge management on performance through attachment is 0.20.

DISCUSSION

The Significance of Talent Management to Employee Engagement

The results of this study are consistent with previous findings (Kristanti et al., 2023) which stated that talent management contributes to increased employee engagement. Strategies such as talent mapping through the "Nine Box" model implemented by PT Bank Sumut have given positive results in creating a sense of loyalty and motivation in employees. Employees feel valued through career development and recognition programs, which increase their emotional attachment to the organization.

The Importance of Knowledge Management in Increasing Attachment

Knowledge management allows employees to actively participate in the creation and dissemination of knowledge, which ultimately increases a sense of belonging to the organization. These findings support a study by Harmen (2018), which shows that a work environment that supports knowledge sharing creates more engaged and productive employees.

The Relationship between Employee Attachment and Performance

Employee engagement is a key factor in driving employee performance. Employees who are attached to the organization tend to have higher motivation to achieve targets and contribute to the organization's success. This research supports the view of Wahyono and Yani (2021) that employee engagement can increase employee productivity and loyalty.

Implications of Mediation by Employee Attachment

Mediation by employee engagement shows that talent management and knowledge management not only directly affect performance, but also indirectly through increased engagement. This shows that a holistic approach is needed to manage employees, which includes increasing engagement as a strategic step.

Practical Implications

Based on the results of the research, several recommendations can be given to PT Bank Sumut:

1. Enhancement of Talent Development Programs: Expansion of the scope of training and development programs for potential employees, including leadership and mentoring programs.
2. Knowledge Management System Optimization: Provision of technology infrastructure that supports knowledge sharing, such as a digital-based platform for collaboration.

3. Employee Engagement Strengthening: Developing a work-life balance program to increase job satisfaction and reduce employee stress.

The results of this study provide insights that can help companies design more effective human resource management strategies to improve employee performance and achieve competitive advantage.

CONCLUSIONS

The results of this study show that:

1. Talent management has a significant positive effect on employee engagement. Strategic talent management efforts are able to increase employee loyalty and motivation.
2. Knowledge management has a significant positive influence on employee engagement. A work environment that supports the creation and sharing of knowledge strengthens employees' emotional connection with the organization.
3. Employee engagement makes a significant positive contribution to employee performance. Employees who are more engaged tend to have higher motivation to achieve.
4. Employee attachment mediates the influence of talent management and knowledge management on employee performance. This emphasizes the importance of a holistic approach in managing human resources.

RECOMMENDATIONS

1. More Strategic Talent Management: Companies need to develop a more comprehensive talent management policy, including clear training and succession planning.
2. Improved Knowledge Infrastructure: Investments in technology that support knowledge sharing can create a collaborative and innovative work environment.
3. Work-Life Balance Programs: Initiatives such as flexible working hours, stress management training, and performance rewards can improve employee engagement and productivity.
4. Data-Driven Performance Evaluation: The use of a data-driven evaluation system can help companies identify areas for improvement and motivate employees to continue to improve.

FURTHER STUDY

This research opens up opportunities for further exploration. First, similar research can be conducted in other industry sectors to explore the extent to which the results of this research can be generalized. Second, moderation variables such as organizational culture or leadership style can be added to examine the broader influence on the relationship between variables. Third, a qualitative approach can be used to explore employees' perceptions of the application of talent management and knowledge in the organization. Finally, longitudinal studies can be conducted to observe changes in employee performance over a longer period of time, thus providing a more comprehensive understanding of the

impact of employee engagement on organizational performance on an ongoing basis.

REFERENCES

- Abdullahi. (2022). Mediating role of employee engagement on the relationship between succession planning practice and employee performance in academic institutions: PLS-SEM approach. *Journal of Applied Research in Higher Education*, 14(2), 808–828. .
- Banuari, N., Absah, Y., & Siahaan, E. (2021). Analyze the influence of talent management and knowledge management on employee performance through employee retention as intervening variable at PT Bhandha Ghara Reksa Divre I Medan. **International Journal of Research and Review**, 8(9), 189-204. DOI: <https://doi.org/10.52403/ijrr.20210926>.
- Baqir, M., Hussain, S., Islam, K.M. Anwarul, & Waseem, R. 2020. Impact of Reward and Recognition, Supervisor Support on Employee Engagement. *American International Journal of Business and Management Studies* 2(3):8-21 DOI:10.46545/aijbms.v2i3.256..
- Cahyani,D., Sabuhari, R., Husen, Z, (2024). "The Effect of Employee Engagement and Work Happiness on Employee Satisfaction," *Journal of Management Analytical and Solution (JoMAS)*, Vol. 4, No. 2. 031-036. doi: doi.org/10.32734/jomas.v4i2.15552.
- Calnan, Nual.,et. al. (2018). *A Lifecycle Approach To Knowledge Excellence In The Biopharmaceutical Industry*. Boca Raton: CRC Press.
- Dalkir. (2011). *Knowledge Management in Theory and Practice*. Elsevier.
- Dewi, N. L. P. N. S., Agustina, M. D. P., & Kusyana, D. N. B. (2021). Memaksimalkan Kinerja Karyawan Melalui Peningkatan Employee Engagement dan Budaya Organisasi. 1(2), 550–560.
- Ekhsan, M. dan Taopik, M. 2020. Peran Mediasi Employee Engagement pada Pengaruh Talent Management Terhadap Employee Retention (The Role of Employee Engagement Mediation on the Effect of Talent Management on Employee Retention). *Jurnal Pengembangan Wiraswasta*, Vol. 22 (03): 163-176.
- [Escribá-Carda, N.](#), [Canet-Giner, T.](#) and [Balbastre-Benavent, F.](#) (2023), "The role of engagement and knowledge-sharing in the high-performance work systems–innovative behaviour relationship", *European Journal of Management and Business Economics*, Vol. ahead-of-print No. ahead-of-print. <https://doi.org/10.1108/EJMBE-07-2022-0206>
- Eksandy, & Sari. (2020). Business Strategy , Knowledge Business Strategy , Knowledge . *Competitive Jurnal Akuntansi Dan Keuangan*, 4(1), 80–93.

- Hanifah, & Basalamah. (2020). Pengaruh Pengembangan Karir, Employee Engagement, Dan Budaya Organisasi, Terhadap Kinerja Karyawan (Pada The Bagong Adventure Museum Tubuh Kota Batu). . *Jurnal Ilmiah Riset Manajemen*. Vol. 9. No. 1.
- Hermawati, A., Rizka, A., & Bahri, S. (2021). Based on Talent Management as Employee Performance Optimization by Strengthening Employee Retention Aspect. *JAM : Jurnal Aplikasi Manajemen Volume 19 Number 4*.
- Ismail, F., Ka, H. K., Fern, N. W., & Imran, M. (2021). Talent Management Practices, Employee Engagement, Employee Retention, Empirical Evidence from Malaysian SMEs. *Estudios de Economia Aplicada*, 39(10), 1-13. <https://doi.org/10.25115/eea.v39i10.5572>.
- [Ishiyama, N.](#) and [S. Tanaka, H.](#) (2024), "Self-perceived talent status and employee outcomes: role of the organisational justice in Japanese learning organisations", *The Learning Organization*, Vol. ahead-of-print No. ahead-of-print. <https://doi.org/10.1108/TLO-05-2023-0089>
- Kristanti, D., Charviandi, A., & Juliawati, P. (2023). *Manajemen Sumber Daya Manusia*. Purbalingga: EUREKA MEDIA AKSARA.
- Kurniawati, I., & Siahaan, E. (2021). Influence of creativity, self efficacy, and social skills toward performance of banking employees. *International Journal of Research and Review*, 8(9), 189-204.
DOI:<https://doi.org/10.52403/ijrr.20210926>.
- Lestari, B., & Novitaningtyas, I. (2021). Pengaruh Variasi Produk dan Kualitas Pelayanan Pengaruh Variasi Produk dan Kualitas Pelayanan Pengaruh Variasi Produk dan Kualitas Pelayanan. *Jurnal Nasional Manajemen Pemasaran & SDM Jurnal Nasional Manajemen Pemasaran & SDM*, 150-159.
- Maulana, S. R. (2022). Pengaruh Knowledge Sharing dan Etos Kerja terhadap Kinerja Karyawan di PT. TASPEN (PERSERO) KCU BANDUNG. Universitas Pasundan.
- Mende, C. D., & Dewi, Y. E. P. (2021). Pengaruh Manajemen Talenta Terhadap Employee Engagement Dan Work From Home Sebagai Variabel Moderasi. *Jurnal Administrasi Bisnis*, 10(1), 45-56.
<https://doi.org/10.14710/Jab.V10i1.36055>
- Nasrudin, A., Tan, & Khan, N. (2020). Can high performance work practices and satisfaction predict job performance? An examination of the Malaysian private health-care sector. *International Journal of Quality and Service Sciences*.
- Nelson, A. 2021. The Effect of Implementation of Management Support Work Environment, Team Work, and Employee Development to Employee Engagement with Employee Motivation as Mediating Variable. *Management and Economics Journal*, Vol. 5 (2): 131-142.

- [Otoo, F.N.K.](#) and [Rather, N.A.](#) (2024), "Human resource development practices and employee engagement: the mediating role of organizational commitment", *Rajagiri Management Journal*, Vol. 18 No. 3, pp. 202-232. <https://doi.org/10.1108/RAMJ-09-2023-0267>.
- [Patwary, A.K.](#), [Azam, N.R.A.N.](#), [Ashraf, M.U.](#), [Muhamed Yusoff, A.](#), [Mehmood, W.](#) and [Rabiul, M.K.](#) (2023), "Examining employee performance through knowledge management practices, organisational commitment and capacity building in the Malaysian hotel industry", *Global Knowledge, Memory and Communication*, Vol. ahead-of-print No. ahead-of-print. <https://doi.org/10.1108/GKMC-11-2022-0256>
- Putri, F. S. A. (2021). Pengaruh Knowledge Management terhadap Employee's Engagement (Studi Kasus pada PT. Telekomunikasi Indonesia, Tbk (Divisi Regional III) Bandung). Universitas Pendidikan Indonesia, 14(1), 1-13.
- Ramadhani, F. E., & Harsono Harsono, S. S. (2020). Talent Management Dan Knowledge Management Terhadap Kinerja Karyawan Dengan Employee Retention Sebagai Variabel Moderator. *Jurnal Bisnis Dan Manajemen*, 7(2).
- Said, Fatmawati, & Hakim. (2020). Knowledge Management Dan Pengaruhnya Dalam Pengambilan Keputusan Pada Badan Pembentukan Peraturan Daerah Dewan Perwakilan Rakyat Daerah Kabupaten Takalar. *Jppm: Journal Of Public Policy And Management*, 2(2), 121-127.
- Setiawan, N., Waluyo, T., Andhika, R. (2023). "The Influence Of Work Ethics, Work Discipline, And Work Motivation On Work Productivity Of Private Office In North Sumatra". *Journal Of Management Analytical and Solution* -Vol. 3,No. 1 (2023) 22-29. DOI : 10.32734.
- Sinambela, L. (2017). *Manajemen Sumber Daya Manusia Membangun Tim Kerja yang Solid untuk Meningkatkan Kinerja*. Jakarta: Bumi Aksara.
- Siregar, Yana Lisma & Harahap, Muhammad. (2022). Analisis Faktor-Faktor Yang Mempengaruhi Kinerja Karyawan Pada PT. Bank Sumut KCP Aksara Medan.. *Transekonomika Akuntansi Bisnis dan Keuangan*. Vol.2, No.2, Hal. 97-106. <https://transpublika.co.id/ojs/index.php/Transekonomika>
- Syahrani, Nabila (2023). Pengaruh Manajemen Pengetahuan dan Manajemen Talenta terhadap Kinerja Karyawan pada PT. SPTEX. Universitas Pasundan, Bandung.
- Tamala, S. S. N., & Fadili, D. A. (2021). Pengaruh Manajemen Talenta Dan Manajemen Pengetahuan Terhadap Kinerja Karyawan. *Jurnal Ekonomi Manajemen Dan Akuntansi*, 23(1)
- Viara, N. O., Neldi, M., Charli, O. C. (2024). "Employee Development Model Through Work Motivation at PT. Rajawali Nusindo Padang Branch".

Journal of Management Analytical and Solution (JoMAS). Vol.4, No.1. 06-11.
DOI: doi.org/10.32734/jomas.v4i1.15664

Wahyono, & Yani. (2021). Analisis Pengaruh Employee Engagement, Kepuasan Kerja, Dan Stres Kerja Terhadap Kinerja Karyawan Pada Indomaret. *Jurnal Ilmu Manajemen Dan Akuntansi Terapan (JIMAT)*. Vol. 12. No. 2.

Wang, Kevin (2021). Pengaruh Talent Management dan Employee Engagement Terhadap Kinerja Karyawan *Akademis.id*. Skripsi. Institut Bisnis dan Informatika Kwik Kian Gie, Jakarta.

Yandi, A., & Bimaruci Hazrati Havidz, H. (2022). Employee Performance Model: Work Engagement Through Job Satisfaction and Organizational Commitment (a Study of Human Resource Management Literature Study). *Dinasti International Journal of Management Science*, 3(3), 547-565.
<https://doi.org/10.31933/dijms.v3i3.1105>

Zunaidah & Nabawi D. (2020) *Manajemen Talenta*. Palembang: UPT. Penerbit dan Percetakan Universitas Sriwijaya.