# TALENT ATTRACTION, TALENT RETENTION, AND TALENT MANAGEMENT AS A MEDIATING ON ORGANIZATION PERFORMANCE

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**Abstract-** An effective human resource management system is related to people, policies, and systems that affect the workforce. An organization consists of labor, money, materials, and machines. When an organization prepares to compete globally, it must have skilled workers that strengthen their intelligence to develop the market and apply the best organizational learning practices. Human resource quantity and quality are directly proportional to organizational performance and productivity. One of the most difficult challenges in management is developing and retaining a workforce that contributes to organizational performance. This study investigates the impact of human resource management on talent attraction, talent management, and talent management on organizational performance in largescale and coal maining companies. This study uses SPSS 2.6 version to analyze 119 respondents. Results of this study are talent attraction significantly impacts talent management, talent retention significantly influence talent management. Talent attraction significantly affects organizational performance, talent retention did not influence employee performance. Talent management has a significant influence on employee performance. Talent attraction has a significant impact on organizational performance mediated by talent management and talent management variable as a mediating variable helps talent retention by providing an indirect effect on organizational performance.. The limitations of this study are cross-sectional empirical studies and the variables in this study are measured based on the responses of top and middle management staff only. The research findings suggest that further research should examine other fields related to human resources, especially focusing on the influence of talent retention on organizational performance and talent attraction on organizational performance through talent management as a mediating variable with different dimensions and elements.

**Keywords: Mining Industry; Talent Attraction; Talent Retention; Talent Management; Organizational Performance** 

#### 1. INTRODUCTION

#### 1.1 Research Background

Following the Covid-19 pandemic, Indonesian corporate competitiveness has become very intense. It is also accompanied by an increasing flow of digitalization in all aspects, such as competitiveness, change, and uncertainty. Strategic human resource management is a concept that entails organizations and programs in accomplishing business objectives through the role of people. This concept is built on three basic ideas: human resource management,

employees who carry out the plan, and a systematic strategy that establishes the organization's direction and means of achievement (Doka & Tan, 2023). Human Resources is important in firms because it revolves around most of assets, people. Its duties include managing people and supporting their development through various programs such as training, mentoring, and general talent management. These efforts have an impact not just on their work lives, but also on their long-term career aspirations, which influence their life decisions and choices (Bature, Sallehudin & Hin, 2018).

In the coming years, researchers predict that companies in the mining industry in developed countries will face significant human resource challenges. These challenges include the need to replace employees who will reach retirement age, retain talent with specialized qualifications, enhance training and development programs to expand the workforce, and maintain employee motivation. The mining industry plays a vital role in economic development by providing essential commodities and contributing to sustainable national economic growth (Songa & Oloko, 2016). An effective human resource management system is linked to the people, policies, and systems that affect the workforce. An organization consists of labor, money, materials, and machines. All labor efforts can realize the effective utilization of other resources in achieving organizational goals and objectives. An organization or business may have the best technology and physical resources, but without the best and right personnel, it may experience failure (Bature, Sallehudin & Hin, 2018). One of the most difficult challenges in management is attracting and retaining a workforce that contributes to organizational performance. When an organization prepares to compete globally, it must have skilled workers that strengthen their intelligence to develop the market and apply the best organizational learning practices (Sareen & Mishra, 2016). As a result, the concept of talent management has sparked considerable professional and academic interest. Because an organization's performance and success are dependent on how it manages and retains its talent pool, appropriate steps should be taken to implement the best talent management practice. It will assist the organization in gaining a competitive advantage over its competitors and remaining at the forefront of the market. Talent management encompasses the entire employee life cycle. Recruitment, selection, and knowledge enhancement must be accomplished through training, performance management, and succession planning (Daniel, 2019). This study investigates the impact of human resource management on talent attraction, talent management, and talent management on organizational performance in large-scale and mature companies. Additional investigation is required to discuss other aspects that can improve organizational performance in relation to the issues raised above.

#### 1.2 Literature Review

#### 1.2.1 Organizational Performance

Performance can be defined as the evaluation of constituents that attempts to measure a company's skill and ability in meeting the constituents' aspiration levels using efficiency, effectiveness, or social referent criteria (Jenatabadi, 2015). The achievement of organizational goals cannot be divorced from the organization's resources, which are managed by employees who play an active role as actors in efforts to fulfill the organization's goals. According to Rowold (2011), high performance work systems and practices are essential for achieving company goals and improving organizational effectiveness. While no one can agree on an optimum design or combination of such systems and practices. The idea is that high performance work systems affect and align employees' attitudes and behaviors with the organization's strategic goals, increasing employee engagement and, as a result, organizational performance.

#### 1.2.2 Talent Attraction

Recruitment and selection, employer branding, value proposition, and options are all components of talent attraction (Rop, 2015). According to Armstrong (2011), various procedures are required for selecting the best talents based on organizational values and culture. The goal of talent attraction is to attract prospective employees who have the necessary qualifications for open positions (Songa & Oloko, 2016). Phillips and Roper (2009) stated that when attempting to attract "Generation Y," an organization must be creative in developing recruitment strategies and avoid traditional methods of recruitment. Generation Y and the young working generation were born between 1980 and 2001 (Phillips & Roper (2009). They enter the professional world with a new environment and a new set of expectations.

According to Philips and Roper (2009), one way to attract this talent, particularly in real estate firms, is to offer competitive or above-market compensation packages. They provide better benefits than other companies in the same market. Meanwhile, some real estate executives believe that the initial investment for attracting top talent and paying high dividends may be higher. Rastgoo (2016), Moghtadaie and Taji (2016), investigated the relationship between Talent Management Practices and organizational performance. Their findings revealed that attracting talent influences organizational performance. Prospective employees with the necessary qualifications must be attracted by organizations. They will result in improved and sustainable organizational performance (Boxall & Purcell, 2003). Aposporia et al. (2008) then conducted research on human resource management and organizational performance in Southern and Northern Europe. Their research found a link between talent attractiveness and organizational performance.

#### 1.2.3 Talent Retention

The goal of talent retention is to encourage talented employees to stay with the company for a longer period (Tephillah & Swamalatha, 2015). It is a deliberate strategy for retaining talented employees (Oladapo, 2014). It is also difficult for organizations to retain talented and high-performing employees (Mohammad, 2015). Motivation, training, career advancement, benefits, and compensation can all help to retain talent (Devi, 2017). According to Hauskenckt et al., (2009), retaining talented and high-performing employees has an impact on financial and operational performance because of their knowledge and qualifications.

The performance and ability to retain the best talent have an impact on organizational success, profitability, and sustainability (Oladapo, 2014). The primary challenge is retaining talented employees after they have been trained. Becker et al. (2001) proposed putting in place a compensation package that specifies performance expectations, skill requirements, experience, and behavior. The following method is to emphasize that all systems should promote high performance at all skill levels and that compensation and rewards should support the company's overall goals in recruitment, retention, and business performance (Becker et al., 2001). Talent retention and organizational performance have a positive correlation (Kontoghiorghes & Frangou, 2009). It can be concluded that the two variables have positive and significant relationships, and organizations must implement and maintain effective retention practices (Lyria et al., 2017).

#### 2.4 Talent Management

One of the most important drivers of organizational success and growth is talent management. All businesses must be able to anticipate and seize new opportunities before their competitors (Sareen & Mishra, 2016). The placement of the best employees in the best positions is part of talent management (Devine, 2008). It has become a recruitment priority

because it has proven to be effective in attracting, retaining, and developing employees (Baheshtiffar & Nekoie-Moghadam, 2011). Sireesha and Ganapavarapu (2014) defined talent management entails placing the right people in the right jobs at the right place and right time. It consists of procedures for attracting, retaining, and developing qualified employees (D'Annunzio-Green, 2008).

Rana and Abbasi (2013) examined the impact of talent management and employee turnover on organizational efficiency in Pakistan's telecommunications sector. They discovered that all variables were positively correlated and had a direct influence on one another. Only those who gain a competitive advantage and achieve success today effectively manage their talented employees. Al Ariss et al., (2014) also demonstrated that talent management is important for at least two primary goals: (i) ensuring that organizations can effectively acquire and retain the best talents, and (ii) retaining these talents for a longer period. Kehinde (2012) investigated how talent management affects organizational performance. He studied sixteen Nigerian companies, and his findings revealed a positive relationship between talent management and organizational performance in Nigerian companies. He also suggested that companies with special talents engage in talent management schemes that are completely different from their usual HRM styles. Talent management is also a strategy for enhancing organizational competence through performance enhancement, succession planning, and carry and employee development (Iles, 2007). Current global integration demonstrates the standardization of talent recruitment, development, and management to maintain competitive advantages and positions. As a result, organizations must adapt to global best practices in talent management as well as local market and workforce requirements (Stahl et al., 2007).

# 1.2.5 Hypothesis

The purpose of this research is to investigate the impact of talent attraction, retention, and management as mediating variables on organizational performance. The research hypotheses are presented in the following section:

- H1: Talent attraction influences talent management
- H2: Talent retention influences talent management
- H3: Talent attraction influences organizational performance.
- H4: Talent retention influences organizational performance.
- H5: Talent management influences organizational performance.
- H6: Talent attraction influences organizational performance through talent management as a mediating variable.
- H7: Talent retention influences organizational performance through talent management as a mediating variable.

#### 1.2.6 Research Framework

Based on the previous hypotheses, the research framework is:

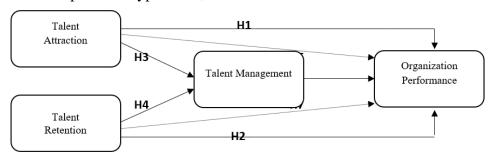


Figure 1. Framework Research

# 2. RESEARCH METHODOLOGY

## 2.1 Research Design

According to Sekaran & Bougie (2010), Zikmund et al., (2010) and Blumberg et al., (2008) a research design is a master plan by which a researcher can implement techniques and methods to gather and investigate the required information on the selected population to obtain the solution related to the problem statement. In another word, it is a framework or blueprint that help the researcher to conduct the research project. As indicated by Sekaran (2013), a research design is a detailed work that suggests how to carry out the research and it includes several methodological steps such as purpose of study, types of investigation, extent of researcher interference, study setting, time horizon and unit of analysis.

To gather the data to examine such a relationship between independent variable, dependent variable and moderator variable, this study uses a quantitative method. This is because the quantitative method allows statistical analyses that will assure the gathered data are reliable and valid (Ghauri, 2010). Thus, a set of questionnaires will be employed as an instrument for this study.

This study uses SPSS (Statistical Package for Social Sciences) 2.6 version to the test the data. The advantages of analyzing data with the help of SPSS Data Analysis are such as it is not much effort that is needed for the researcher to use this software compare other software. The time required for analyzing the data with the help of SPSS is comparatively less than any other statistical tool, which is further helpful for the researchers to conduct in-depth critical analysis by including huge numbers of numeric data and information successfully. This software is important for data analysis and surveying because it can analyze, transform, and produce the data set between multiple data variables. The output may be acquired through graphical representation so that users can comprehend and readily grasp the results.

#### 2.2 Sample Selection and Size

The population is made up of large-scale mining companies. The probability sampling method is used to collect the sample. This method allows for the selection of all large-scale businesses as the research sample. Stratified sampling is the sampling technique used. The following figure shows the sampling frame:

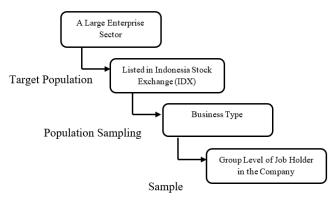


Figure 2. Sampling Framework

The sampling process starts with the selection of large-scale business sectors listed on the Indonesia Stock Exchange. The next step is determining the type of business to be studied, i.e., the mining business sector using a stratified manner according to their positions. This technique gives opportunities for groups of position levels in large-scale sectors to be selected as research samples. Therefore, they can perform relevant information for this research. The number of samples is set based on Yamane, Isaac, and Michael formula (Sugiyono, 2017). They are widely used by other researchers. The formula is explained as follows:

$$n = \frac{N}{1 + Ne^2} = \frac{168}{1 + 168 x (5\%)^2} = 118,31 = \pm 119 \text{ samples (minimum)}$$
note:
$$n = \text{number of searched samples}$$

$$N = \text{population}$$

$$e = \text{margin sampling error (5\%)}$$

By using the above formula, there are total 168 employees. With a margin of error of 5%, there are around 119 samples. The samples consist of top and middle management and staff.

# 2.3 Data Collection Technique

The data are collected using a questionnaire containing a list of questions arranged systematically. The questionnaire item includes an introduction for filling out the questionnaire, an identity section consisting of gender, age, and latest education, and the last is the content. The questionnaire must be filled out by the respondents. After that, the questionnaire is sent back or returned to the researcher. This questionnaire uses a 5-point Likert scale for each statement or question posed to respondents. It starts from Strongly Disagree (STS) = 1, Disagree (TS) = 2, Normal (N) = 3, Agree (S) = 4, and Strongly Agree (SS) = 5. The questions are prepared based on indicators of each variable.

#### 2.4 Data Analysis Technique

The data are analysed using multiple regression analysis supported by the SPSS program. Multiple regression analysis aims to test the influence of two or more independent variables on a dependent one. It is necessary to fulfil the following assumptions.

#### 2.5 Validity Test

According to Ghozali (2018), a questionnaire can be valid if its statements reveal something so that the results can measure what the researcher wants to measure. To measure

the test validity, the researcher uses Pearson Correlation. The researcher correlates the scores of each question item with a total variable score with a significance of 5%. The indicator shows whether the statement item is valid or not. A significant test is carried out by comparing the calculated R-value with the r-table. If r-count > r-table and the value is positive, then the statement or indicator item is positive (Ghozali, 2018). If the loading value of each item is  $\geq$  0.5 then the research instrument has a high correlation between variables which is acceptable and feasible and declared valid. If the value is  $\leq$  0.5, it means that the item has a low correlation between variables, is invalid, irrelevant, and is not suitable for use in future research analysis, then the researcher can remove these variables because the data will affect the interpretation of the results of the analysis. Each variable that has been declared valid will be tested again without including invalid variables to see the level of consistency of data validity.

# 2.6 Reliability Test

According to Ghozali (2018), the reliability test aims to measure a questionnaire as an indicator of a variable or construct. A questionnaire is reliable if the answers to the questions are consistent or stable over time. Ghozali (2018) explains measurement of reliability in this study was carried out using a one-shot measurement technique. Furthermore, the measurement results are compared with other questions using Cronbach's Alpha ( $\alpha$ ) statistical test. Nunnally, Imam Ghozali (2018) revealed that a variable is reliable if it has a Cronbach's Alpha value higher than 0.70. Before collecting data for 119 respondents, the researcher first tested the accuracy and validity of the questionnaires to be distributed. Researchers conducted a pilot test on 30 respondents to avoid the questionnaire not reliable.

# 2.7 Normality Test

The normality test determines whether the residual value in the regression model has a normal distribution. According to Ghozali (2016), there are two ways to predict whether the residual is normally distributed or not: graphical analysis and statistical analysis.

One of the most basic methods for determining the normality level is to inspect the histogram. It compares the observed data to a normal distribution-like distribution. This analysis' decision-making framework is as follows: The distribution pattern is normal if the data is spread around the diagonal line and follows the direction of the diagonal line or histogram graph; the regression model meets the assumption of normality.

If the data spreads far from the diagonal line and/or does not follow the direction of the diagonal line or histogram graph, the distribution pattern is not normal, and the regression model does not meet the assumption of normality.

According to Suliyanto (2011), the Kolmogorov-Smirnov (KS) test is used to determine whether the regression model meets the normality assumptions.:

- If Sig is greater than the alpha value (5% or 0.05), the residual value is normally distributed.
- If the value of Sig < the alpha value (5% or 0.05), the residual value has an abnormal distribution.

#### 2.8 Multicollinearity Test

A multicollinearity test aims to test whether there is a high or perfect correlation among the independent variables or not in the regression model. Detecting a high correlation among independent variables can be done in several ways. One of them is using the Tolerance and Variance Inflation Factor (VIF). According to Ghazali (2016), tolerance measures the variability of the selected independent variable not explained by other independent ones. Low

tolerance equals a high VIF value. Assumptions of Tolerance and Variance Inflation Factor (VIF) can be stated as follows:

- If VIF > 10 and the Tolerance value < 0.10, there is a multicollinearity symptom.
- If VIF < 10 and Tolerance value > 0.10 there is no multicollinearity

#### 2.9 Heteroscedasticity Test

According to Ghozali (2016), different variable variances in the regression model are referred to as heteroscedasticity. Meanwhile, homoscedasticity occurs when the variance of the variables in the regression model is the same. Graph analysis can be used to detect heteroscedasticity. This graphical method is accomplished by inspecting the graph plot of the predicted value of the dependent variable (ZPRED) versus the residual SRESID (Ghozali 2016). The principles of the analysis of this method are:

- If the dots form a regular pattern (wavy, widening, and then narrowing), this indicates heteroscedasticity.
- If there is no clear pattern, and the points spread above and below the number 0 on the Y axis randomly, there is no heteroscedasticity.

# 3. RESULT 3.1 Validity Test

**Table 1 Results of the Validity Test** 

No	Variable	Indicator	r-table	r-count	Sig.	Note
1.	Talent Attraction	X1.1	0.174	0,735	0,000	Valid
	(X1)	X1.2	0.174	0,767	0,000	Valid
		X1.3	0.174	0,742	0,000	Valid
		X1.4	0.174	0,849	0,000	Valid
		X1.5	0.174	0,822	0,000	Valid
2.	Talent Retention	X2.1	0.174	0,847	0,000	Valid
	(X2)	X2.2	0.174	0,859	0,000	Valid
		X2.3	0.174	0,833	0,000	Valid
		X2.4	0.174	0,763	0,000	Valid
		X2.5	0.174	0,603	0,000	Valid
		X2.6	0.174	0,755	0,000	Valid
3.	Talent Management	M1	0.174	0,694	0,000	Valid
	(M)	M2	0.174	0,783	0,000	Valid
		M3	0.174	0,807	0,000	Valid
		M4	0.174	0,829	0,000	Valid
		M5	0.174	0,800	0,000	Valid
		M6	0.174	0,680	0,000	Valid
		M7	0.174	0,871	0,000	Valid
4.	Organizational	Y1	0.174	0,688	0,000	Valid
	Performance	Y2	0.174	0,792	0,000	Valid
	(Y)	Y3	0.174	0,805	0,000	Valid
		Y4	0.174	0,768	0,000	Valid
		Y5	0.174	0,754	0,000	Valid
		Y6	0.174	0,754	0,000	Valid

Table 1 shows that each indicator used in the independent variables (talent attraction and talent retention), mediating variable (talent management), and the dependent variable (organizational performance) has a significance value of 0.000 (lower than 0.05), and the r-count is higher than r-table. Therefore, all indicators used in the questionnaire are feasible or

valid as data collection tools for further research. The resource persons have no difficulty understanding the questionnaire items, so it is easy to provide the best answers.

## 3.2 Reliability Test

Table 2. Results of the Reliability Test

No.	Variable	Cronbach's Alpha (α)	Note
1.	Talent Attraction (X1)	0, 845	
2.	Talent Retention (X2)	0, 865	Reliable > 0,70
3.	Talent Management (M)	0, 891	
4.	Organizational Performance (Y)	0, 850	

Table 2 shows that all variables are reliable or consistent because they have Cronbach's Alpha ( $\alpha$ ) higher than 0.70. This is following Ghozali (2018) who stated that a variable is reliable if it has a Cronbach's Alpha value higher than 0.70.

#### 3.3 Normality test

**Table 3 Results of Residual Normality Test** 

Unstandardized Residual 125 .0000000 Normal Parameters,b Mean Std. 1.87374624 Deviation Most Extreme Differences Absolute .155 Positive .081 Negative -.155 Test Statistic .155 Asymp. Sig. (2-tailed)  $.000^{c}$ 

Table 4. Results of the Data Normality Test

		Talent	Talent	Talent	Organization
		Attraction	Retention	Management	Performance
N		125	125	125	125
Normal Parameters,b	Mean	21.87	25.66	30.89	25.85
	Std.	3.085	3.943	4.155	3.688
	Deviation				
Most Extreme Differences	Absolute	.155	.145	.165	.140
	Positive	.155	.136	.161	.130
	Negative	147	145	165	140
Test Statistic		.155	.145	.165	.140
Asymp. Sig. (2-tailed)		.000°	.000°	.000°	.000°

a. Test distribution is Normal.

Based on tables 3 and 4, the Kolgomorov-Smirnov non-parametric statistical test (K-S) has a significance level of (a) 0.000 lower than 0.05. It means that the residual data are not

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

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c. Lilliefors Significance Correction.

normally distributed because the Sig count is lower than 0.05. Some data are different from others, so this research requires outlier testing. Outlier data have extreme differences or a much different from other observed data (Ghozali, 2018). Outlier data, according to Ghozali (2018), are caused by four factors: first, incorrect data in the entry; second, an error in a computer program that is missing a value; third, the data should not be used as a sample; and finally, the data are also a sample but have extreme values and are not normally distributed. Most respondents answer 4 (agree) or 5 (strongly agree) because the working conditions are consistent with what was described and stated in the questionnaire.

# 3.4 Multicollinearity Test

Table 4	<b>Results</b>	of the	Multicolli	nearity Test
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Unstan		andardized	Standardized					
Coefficients		Coefficients			Collinearity	Statistics		
Model		В	Std. Error	Beta	T	Sig.	Tolerance	VIF
1	(Constant)	.910	1.350		.674	.502		
	Talent	.436	.086	.364	5.070	.000	.413	2.422
	Attraction							
	Talent	.017	.071	.018	.233	.816	.369	2.707
	Retention							
	Talent	.485	.068	.547	7.174	.000	.368	2.720
	Management							

a. Dependent Variable: Organization Performance

Table 5 shows that all independent and mediating variables have a Tolerance value > 0.1 and a VIF value < 10. This is under Ghozali (2018) who found that independent regression model multicollinearity is the one that has a VIF value lower than 10 and a Tolerance number higher than 0.1. The results of the multicollinearity test show no multicollinearity symptoms.

## 3.5 Heteroscedasticity Test

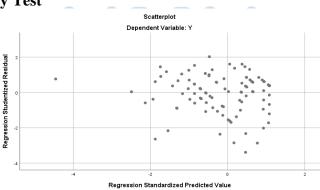


Figure 3. Results Heteroscedasticity Test

Figure 3 shows that there is no clear pattern. The dots spread randomly above and below the number 0 on the y-axis. It can be concluded that the regression model does not trigger heteroscedasticity. This is following Ghozali (2018) who explained that if there is no clear pattern and the points spread above and below the number 0 on the y-axis, there is no heteroscedasticity.

#### 3.6 Path Analysis

Table 6 Regression Test I

	Unstandardized Coefficients		Standardized Coefficients			
Model		В	Std. Error	Beta	T	Sig.
1	(Constant)	6.827	1.698		4.020	.000
	Talent Attraction	.495	.106	.367	4.667	.000
	Talent .516 Retention		.083	.490	6.224	.000

a. Dependent Variable: Talent Management

Table 7. Regression Test II

		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
Model		В	B Std. Error Beta				
1	(Constant)	.910	1.350		.674	.502	
	Talent Attraction	.436	.086	.364	5.070	.000	
	Talent Retention	.017	.071	.018	.233	.816	
	Talent Management	.485	.068	.547	7.174	.000	

a. Dependent Variable: Organizational Performance

#### The results of the path analysis are:

- 1. The significance value for the influence of Talent Attraction on talent management is 0.000(<0.05), and the t-count is 4.667 > t-table (1.65734), so H1 is accepted. This implies that Talent Attraction has a significant impact on talent management.
- 2. The significance value for the effect of Talent retention on talent management is 0.000 (< 0.05), and the t-count is 6.224 > t-table (1.65734), so H2 is accepted. It means Talent retention has a significant effect on talent management.
- 3. The significance value for the influence of Talent Attraction on organizational performance is 0.000 (<0.05), and the t-count is 5.070 > t-table (1.65734), so H3 is accepted. It means Talent Attraction has a significant effect on organizational performance.
- 4. The significance value for the influence of Talent retention on organizational performance is 0.816 (>0.05), and the t-count is 0.233 < t-table (1.65734), so H4 is rejected. It means Talent retention has no significant effect on organizational performance.
- 5. The significance value for the influence of talent management on organizational performance is 0.000 (<0.05) and the t-count is 7.174 > t-table (1.65734), so H5 is accepted. It means that talent management has a significant influence on organizational performance.
- 6. Path analysis results show that the direct effect of talent attraction on organizational performance is 0.364 or 36.4%, and the indirect effect of talent attraction on organizational performance via talent management as a mediating variable is 0.367 x 0.547 = 0.200 or 20%. Therefore, the direct influence of the talent attraction variable is stronger than the indirect effect with the help of the talent management variable as a mediating variable, so H6 is rejected.
- 7. The path analysis results show that the direct effect of talent retention on organizational performance is 0.018 or 1.8%. Meanwhile, the indirect effect of talent retention on organizational performance as mediated by talent management is  $0.490 \times 0.547 = 0.268$ , or 26.8%. It can be concluded that the direct influence of the talent retention variable is

lower (1.8%) than the indirect effect (26.8%) with the help of the talent management variable as a mediating variable, so H7 is accepted.

The path analysis shows that talent attraction greatly influences organizational performance without talent management as the mediating variable. Talent retention must be mediated by talent management to strengthen its influence on organizational performance.

#### 4. DISCUSSION

# **4.1 Influence of Talent Attraction on Talent Management**

The results show that talent attraction significantly impacts talent management. The initial steps of employee recruitment will affect the management of human resources in the organization according to their abilities and talents, so they can contribute to achieving organizational goals. According to Philips and Roper (2009), offering competitive or above-market compensation packages that include better benefits than others in the same market is one way to attract the best talent in real estate companies. Meanwhile, some real estate executives believe that there may be higher costs in investing and attracting top talent, as well as the need to pay large dividends. According to Phillips and Roper (2009), when attempting to attract "Generation Y," all organizations must be creative in developing recruitment strategies and avoid traditional methods. Those born between 1980 and 2001 are known as the "young working generation" or "Generation Y." They arrive as employees, bringing with them a new atmosphere and a different set of expectations.

#### **4.2 Influence of Talent Retention on Talent Management**

The results show that talent retention significantly influence talent management. Retaining potential and quality employees can affect the management of human resource talent. Talent identification and development help organizations identify employees who can be future leaders. The focus of talent retention is to encourage talented employees to stay for a longer time (Tephillah and Swamalatha, 2015). It is considered a strategic procedure to retain talented employees (Oladapo, 2014). It is also a big challenge for organizations to protect their betterperforming employees (Mohammad, 2015). Talent retention can be achieved through motivation, training, career advancement, benefits, and compensation (Devi, 2017).

The findings are in line with Hauskenckt et al., (2009) who found that retaining talented and high-performing employees can impact the financial and operational performance of the organization because of the knowledge and qualifications possessed.

#### 4.3 Influence of Talent Attraction on Organizational Performance

The results show that talent attraction significantly affects organizational performance. The recruitment process starts with selecting prospective candidates within several steps obtaining the best and expected employees and then placing them in the best positions. This is in line with Armstrong (2011) who stated that different procedures are used for selecting suitable talents based on organizational values and culture. The purpose is to catch prospective employees' interests with the right qualifications (Songa & Oloko, 2016). Organizations must attract qualified employees because they can lead to growth and sustainability (Boxall & Purcell, 2003). Furthermore, Aposporia et al. (2008) conducted a study on human resource management and organizational performance in Southern and Northern Europe. Their findings revealed a positive relationship between talent attraction and organizational performance.

This study is consistent with Mahato (2018), who investigated some commercial banks in Nepal. He discovered that attracting and retaining talent had a significant impact on

organizational performance. Dahshan, Keshk, and Dorgham (2018) studied several nurses at the Shebin El-Kom Hospital. They discovered a link between talent attraction and talent retention and organizational performance.

# 4.4 Influence of Talent Retention on Organizational Performance

The results show that talent retention did not influence employee performance. It is because the company cannot do anything to retain talented employees. This is supported by Ratnasari (2012) who found that if companies cannot retain their employees, their investment in human resources is useless. This finding is the same as Aina and Atan (2020). They revealed no significant relationship between talent attraction, talent retention, and organizational performance in several real estate companies in the United Arab Emirates (UAE). Thus, companies must maximize their efforts in retaining the number of potential employees so that they will desire to be part of them (Wijayanti & Nurtjahjanti, 2012). Companies should improve their physical conditions, attitudes, and mentality to continue to give their best and be loyal even under high work pressure to achieve organizational goals.

An organization's success, profitability, and sustainability are influenced by its performance and ability to retain its best talent (Oladapo, 2014). The main challenge for most businesses is retaining talented employees after they have been trained. Becker et al. (2001) proposed implementing a compensation package that specifies performance expectations, skill requirements, experience, and behavior. It also emphasizes that application systems should be designed to promote high performance at all skill levels, and that compensation and rewards should support overall recruitment, retention, and business performance goals (Becker et al., 2001). Talent retention and organizational performance have a positive correlation (Kontoghiorghes & Frangou, 2009). It implies that organizations must implement more effective retention strategies (Lyria et al., 2017).

# 4.5 Influence of Talent Management on Organizational Performance

The results show that talent management has a significant influence on employee performance. This variable is critical because it plays an important role in attracting and retaining talented employees. Talent management is an important factor in organizational success and growth. Organizations must be able to anticipate and capitalize on new opportunities before competitors (Sareen & Mishra, 2016). Employee placement in the best positions is part of talent management (Devine, 2008). According to Sireesha and Ganapavarapu (2014), talent management entails placing the right people in the right jobs at the right place and right time. Talent management is also a strategy for enhancing organizational competency through performance enhancement, succession planning, and employee development (Iles, 2007). Global integration demonstrates organizations' standardization in recruiting, developing, and managing talent to maintain competitive advantages and positions. As a result, they must adjust to global talent management, the best local market, and workforce needs (Stahl et al., 2007).

Rana and Abbasi (2013) discovered the same results when studying the impact of talent management and employee turnover on organizational efficiency in Pakistan's telecommunications sector. According to them, all variables are positively correlated and have a direct impact on one another. Only those who gain a competitive advantage and achieve success today effectively manage their talented employees. Furthermore, Al Ariss et al., (2014) stated that talent management is critical for achieving at least two main goals: (i) effective talent management ensures that organizations can effectively acquire and retain talents, and (ii) retaining these talents for a longer period. Kehinde (2012) investigated the impact of talent

management on organizational performance as well. Kehinde studied sixteen Nigerian companies and discovered a link between talent management and organizational performance in Nigerian firms. Kehinde recommended that companies with talents engage in talent management schemes that are completely different from previous human resource management styles.

# **4.6 Influence of Talent Attraction on Organizational Performance Through Talent Management as a Mediating Variable**

The results show that talent attraction has a significant impact on organizational performance mediated by talent management. As a mediating variable, talent attraction has a greater impact than talent management. Meanwhile, it serves as a link for businesses to manage human resource talent from the recruitment process to placement in the appropriate position. Talent management must be a priority in recruiting employees according to their talents which are then maintained and developed to improve their performance.

This finding is supported by Rastgoo (2016), Moghtadaie and Taji (2016) who studied the relationship between Talent Management Practices and organizational performance. They emphasized the significant impact that talent attraction has on organizational performance. Talent management must be prioritized when recruiting employees based on their talents, which are then maintained and developed to improve their performance.

# 4.7 Influence of Talent Retention on Organizational Performance Through Talent Management as A Mediating Variable

The results showed that the talent management variable as a mediating variable helps talent retention by providing an indirect effect on organizational performance. With the role of talent management, talented employees can be placed in the right positions and maintained and developed to improve organizational performance. Talent management includes placing the right employees in the right positions (Devine, 2008). Talent management also means procedures for attracting, retaining, and developing personnel (D'Annunzio-Green, 2008; Maxwell, Watson, & D'Annunzio-Green, 2008).

This research is supported by Dahshan and colleagues (2018) who provided an understanding of the relationship between talent management and organizational performance. The survey results confirm that hospital management must carry out attraction, retention, motivation, and development plans for their talents. It is also emphasized that organizational performance with the three components mentioned above (attraction, retention, motivation, and development plan) will have a significant effect on organizational performance.

#### 5. CONCLUSION, LIMITATION AND IMPLICATION

#### 5.1 Conclusion

- 1. Talent attraction significantly impacts talent management.
- 2. Talent retention significantly influence talent management.
- 3. Talent attraction significantly affects organizational performance.
- 4. Talent retention did not influence employee performance.
- 5. Talent management has a significant influence on employee performance.
- 6. Talent attraction has a significant impact on organizational performance mediated by talent management.
- 7. Talent management variable as a mediating variable helps talent retention by providing an indirect effect on organizational performance.

#### **5.2 Limitations**

This study has limitations and contributions should be read with caution. First, the sample was restricted to coal mining employees located in Indonesia. Thus, it does not allow generalization for all coal mining employees in other industries. Therefore, the findings of the study should be interpreted in the limited context of the respondents. In the present study, the focus being to provide information of the importance of the variables.

Secondly, this study was cross-sectional, and the findings provided a snapshot of the phenomenon in a specific period. This design does not allow researchers to detect changes that happened over time. However, the cross-sectional data collected at a given point in time are sufficient and fit into the research framework of this study.

Thirdly, this study utilized the quantitative method and the data in this study were collected using online questionnaires as there were no interview session carried out with the management of the coal mining's employees.

# 5.3 Implication

# **5.3.1 Literature Implication**

The findings added value to the existing literature on talent attraction, talent management, and talent management on organizational performance in large-scale and mature companies. This finding provides a new contribution to the literature by revealing that the talent management variable as a mediating variable can help the talent retention variable by providing an indirect influence on organizational performance. With the role of talent management, talented employees can be placed in the right positions and maintained and developed to improve organizational performance. Meanwhile, talent attraction has a significant impact on organizational performance via talent management as a mediating variable. As a mediating variable, talent attraction has a greater impact than talent management. Meanwhile, it serves as a link for businesses to manage human resource talent from the recruitment process to placement in the appropriate position. Talent management must be a priority in recruiting employees according to their talents which are then maintained and developed to improve their performance.

# **5.3.2 Practical Implication**

This study provides a guide to top management and human resource department to understand that business success depended on the organization's capabilities to manage their human resources. They must design and develop strategies that drive human resource management practices to utilize employee capabilities. To create such capabilities and deliver results, top management and human resource department must identify human resource management practices and give attention or focus to improve the existing practices. It could assist management of the coal mining in Indonesia to create programs and strategies that could assist coal mining employees to increase organizational performance. When the collaboration is stronger, human resource department could play critical role to foster the relationship to create policies and practices that represent the organization's culture and business strategy.

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