Analysis of the Effect of Competency, Qualification, and Performance Mediated by the Merit System on Talent Management

[1]Fieghie Fadila, [2*]Faris Shafrullah, [3*]Leni Indrawati, [4]Sedarmayanti, [5]Solahuddin Ismail,
[6]Anita Firmanti Eko Susetyowati, [7]Noermijati, [8]Ananda Sabil Hussein, [9]Sunaryo

[1] Program Doctor Management Science University of Brawijaya, Jakarta.
[2] Alumni University of Padjadjaran, Bandung.*
[3] Lecturer University of Azzahra, Jakarta.*
[4] Lecturer University of Dr. Sutomo Surabaya.
[5] Lecturer School of Government Universiti Utara Malaysia.
[6] Main Assessor of Human Resources Ministry of PUPR.
[7,8,9] Lecturer University of Brawijaya, Malang
*[2*3*]Correspondence Authors : rollex28@gmail.com; lenindra12@gmail.com*

Abstract

This study aims to examine the effect of competence, qualifications, performance, merit system as a mediation on talent management. The research method is quantitative with SEM maximum likelihood, and data collection is carried out by survey or purposive sampling of 715 respondents from functional officials at the Ministry of PUPR.

The purpose of this research is to examine the effect of competence, qualification, performance, merit system as a mediation on talent management.

The results of the research findings that competence, qualifications, performance, merit system as a mediation for talent management are positive and significant. This condition shows that the implementation of Talent management will be fully supported by increasing competence, qualification level, improving performance and improving the merit system which acts as a mediation towards the achievement of human resource development in the Ministry of PUPR.

Keywords— competence, qualification, performance, merit system, talent management

Introduction

Human Resource Development as one of the government's focuses in the future, is a vision that is expected to encourage Indonesia to be more productive, competitive, and have flexibility in facing dynamic and risky global challenges. To be able to survive in the era of globalization and become a developed country, the need for a world-class State Civil Apparatus is something that must be met. Therefore, the government has launched a World Class Government in the National Medium-Term Development Plan. World Class

Bureaucracy must be able to realize service acceleration, service efficiency, service accuracy, work flexibility, and have a social impact. To answer these challenges, the government has prepared a series of action plans through the Road Map for the Development of the State Civil Apparatus (ASN) to support the availability of reliable and competent ASN. The government has issued a policy through Regulation of the Minister for Empowerment of State Apparatus and Bureaucratic Reform Number 3 of 2020 concerning Talent Management, and

[1]Fieghie Fadila, [2]*Faris Shafrullah, [3]*Leni Indrawati, [4]Sedarmayanti, [5]Solahuddin Ismail, [6]Anita Firmanti Eko Susetyowati, [7]Noermijati, [8]Ananda Sabil Hussein, [9]Sunaryo

Regulation of the Minister of Empowerment of State Apparatus and Bureaucratic Reform Number 8 of 2021 concerning Performance Management System for Civil Servants. The existence of this regulation is a mission to carry out the vision in the form of talent management, which is a guide or guide to direct the various efforts needed, and to help make systematic stages regarding the planning, implementation and evaluation of an activity program within a certain period of time. In accordance with the mandate of the Minister of State Apparatus Empowerment and Bureaucratic Reform Regulation No. 3 of 2020, that Talent Management is an obligation that must be carried out by all government agencies in a short time, in order to answer the challenges in the era of globalization, where Indonesian talent management is still below ASEAN countries. There are 6 criteria indicators by INSEAD in the Global Talent Competitiveness Index Rankings, so that the ranking in the index can increase, namely: 1). Openness is the key to talent competitiveness, 2). Fiscally stable countries need talent competitiveness for sustainable development. 3). Talent growth can be internal or external, 4). Countries must consider employability or risk high unemployment, 5). Education systems need to reconsider traditional learning, and 6). Technology is changing the meaning of 'employable skills'. Indonesia in the 2016-2020 period has a ranking in the Global Talent Competitiveness Index, below ASEAN countries such as Singapore, Malaysia and the Philippines. According to INSEAD, Indonesia in 2016 ranked 90 in the Global Talent Competitiveness Index, in 2017 it was ranked 90, in 2018 it was ranked 77, in 2019 it was ranked 67, and in 2020 it was ranked 65.

Talent management within the Ministry of Public Works and Public Housing (PUPR) is one of the keys to being able to encourage the optimization of agency performance, as well as the birth of various innovations that help achieve the strategic goals set by the agency. Given the importance of the talent management position in personnel management within the Ministry of PUPR, a road map is urgently needed to guide the management of talent management for the better from year to year. Therefore, the existence of a talent management Road Map is a must, so that changes occur for the better, which can be carried out effectively and efficiently.

Talent Management Theory

Talent management, in the literature, a specific definition of "talent management" has not been given. Therefore, the academic scope for conceptualizing talent management is very important from the dearth of formal definitions, theoretical frameworks, and empirical studies Lewis and Heckman, (2006), Scullion, Collings, Caligiuri (2010).

Talent management is defined as a process consisting of a complete and related set of organizational procedures such as identifying, selecting, developing and retaining outstanding and outstanding employees, enhancing their abilities and potential for important strategic positions, which helps employees to utilize their productivity effectively. and efficient to engage and contribute to organizational success.

Talent management has been expressed in terms of the systematic perception of attracting, screening and selecting the appropriate talent for the job title, as well as engaging, developing, leading and retaining talented and high performing employees, to ensure a continuous flow of talent that can result in maintaining their productivity .

Talent management has been defined as the systematic identification of key positions, development of a high-potential and high-performing talent pool of incumbents and development of different Human Resources architectures see Collings and Mellahi (2009). Talent management is the process by which employees or organizations can anticipate and fulfill their needs for human resources. It's about getting the right employees, by having the right skills into the right job at the right time.

Talent management sustains organizational performance by providing essential knowledge and strategies for improvement and change, it

helps organizations to identify the most talented employees to become future leaders, and whenever there is a vacant position. The aim of talent management is not only to identify and focus on talented employees, but also to ensure that development and growth strategies are linked to the mission and vision of the organization, thereby resulting in the prosperity and sustainability of the organization. According to Kehinde, (2012), most researchers investigating the effects of talent management have confirmed that talent management has and has an impact on the sustainability of organizational performance. These researchers reinforce the assumption of a significant positive relationship between talent management and organizational performance; In addition, talent management improves the effective performance of employees and productivity in the organization.

Furthermore, talent management practices result in a sustainable competitive advantage, whereas new technologies, products and services can be easily imitated by competitors, leading only to a temporary competitive advantage. The practice of attracting, developing, retaining and motivating, as well as rewarding talented employees, has been considered a talent management practice that results in a sustainable competitive advantage.

System Merit Theory

Work performance system (merit system) is an approach in awarding based on job performance. In this system, the priority is one's work ability, in the form of skills, expertise, efficiency and work effectiveness. In giving awards, the work performance system does not look at the age or seniority (term of service) of employees, so even young employees (juniors) if they are able to excel will be able to surpass their seniors. This system is widely adopted in America and European countries. This work performance system has the advantage that it is considered more fair and non-discriminatory. Every employee has the same opportunity to get an award without being limited by age and years of service. This work performance system is able to provide better motivation for employees

to excel. The work performance system also has weaknesses. The weakness of this work performance system is that it tends to make employees like mechanical machines. In the work performance system, the humanist-psychological aspect does not get a place, even though this aspect is also important for welfare.

Competency Theory

The holder of a position must be in accordance with his competence. The point is that positions in government organizations are held by people according to their abilities, both educational background, expertise and level of mastery. In accordance with the field of duty so that while serving in a certain position he will be able to carry out his duties effectively. Mastery of tasks is not only sufficiently based on educational background and experience, but must also be supported by technical skills and behavior in accordance with the demands of the position. The meaning of competence is a combination of knowledge, skills, experience, and behavior required by the position it holds.

Qualification Theory

Officials who are elected and appointed are based on their professional qualifications. This means that for the appointment of an official must be based on the needs of the organization. If the organization requires an expert in the field of financial management, for example, it must be filled with an official with financial knowledge, requiring skills in the field of civil engineering, a civil engineering engineer must be sought and so on. Therefore, there are work specializations according to one's field of duty and expertise so that they can work effectively and professionally. This is what Weber said, that the characteristics of a rational or ideal bureaucracy must have one of the requirements for such professional qualifications. To find out the expertise (specialization) that exists in an official, it can be seen from the formal diploma held by the official.

Performance Theory

Performance management requires a systematic process. For this reason, it is necessary to design an appropriate performance

[1]Fieghie Fadila, [2]*Faris Shafrullah, [3]*Leni Indrawati, [4]Sedarmayanti, [5]Solahuddin Ismail, [6]Anita Firmanti Eko Susetyowati, [7]Noermijati, [8]Ananda Sabil Hussein, [9]Sunaryo
756

management system to achieve optimal performance. The system is a well-organized series of procedures, steps or stages. Likewise, the public sector performance management system also contains procedures, steps and stages that make up a performance cycle.

The stages of the performance management system include:

1. Performance planning stage

2. Performance implementation stage

3. Performance appraisal stage

4. Performance review stage

5. Stage of performance improvement

In the performance contract, the following matters are specified:

1. Performance accountability that must be met by the appraisee, in this case is the responsibility in achieving work results

2. Specific goals to be achieved, including performance targets to be achieved

3. Performance standards or performance criteria that will be used to evaluate how well the appraisee achieves performance goals and targets

4. Performance factors, competencies, or behaviors that will affect the performance process

Relationship between Competence and Talent Management

The relationship between competence and talent management is positive and significant. Competence has a relationship and has an influence on talent management, because talent management includes elements of employee competence as an indicator in managing employees to occupy positions that are in accordance with the competencies possessed by an employee. In addition, it is reasonable to suspect that the indicators of talent management in the form of talent identification, talent development and talent culture are very supportive and supportive of

the relationship that occurs between talent management and competence.

Relationship between Performance and Talent Management

The relationship between performance and talent management is positive and significant. Talent Management and employee performance are seen as strategic tools to implement strategic objectives, and to improve employee and organizational performance. Talent management and employee recognition are interrelated variables that affect employee performance, or a causal relationship between performance and talent management. Talent management that integrates human resource procedures and performance systems has a positive impact on employee commitment. Therefore, it is not postulated that should pursue job satisfaction as the main underlying contributor to job performance, but if we develop and institutionalize a comprehensive talent system, it can affect job satisfaction directly, and job performance indirectly.

Talent management that focuses on retaining and developing talent has a statistically significant positive impact on human resource outcomes, such as job satisfaction, motivation, commitment and trust in leaders. According to IHRDC (2014), Typical talent management phases include:

 • Recruitment

 • Onboarding

 • Job Profiles (Job Description, Compensation, Competencies)

 • Learning Plans (Individual Development Plans)

 • Training and Development

 • Performance Management

 • Career Development

 • Succession Planning

Contribution to the actual potential of current employees, and the recruitment of special

talents to fill the identified gaps are expected to help the organization to achieve higher productivity in the talent management field.

If talent management practices such as talent development, performance management, talent retention strategies, and compensation practices are implemented poorly, it will have a bad impact on talent management itself. Talent management practices are significantly related to job satisfaction and voluntary employee turnover intentions.
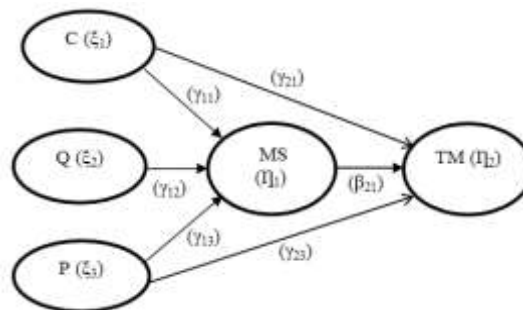
Relationship Merit System and Talent Management

The relationship between the Merit System and Talent Management is still in the form of conjecture or is estimated to have a relationship, because several indicators that affect the merit system such as competence, qualifications and performance have a relationship with talent management. According to Dahlström, Lapuente and Teorell (2012), that the application of a merit system in terms of recruiting officials, in addition to reducing the level of corruption, or bribery in terms of promotion and recruitment, the results

of implementing a merit system can also improve overall organizational performance, because they work based on their competence and qualifications, so that they work with high spirits. In addition, bureaucrats obtained by management and suspected to be relevant, such as salaries, competitive civil servants, career stability, or internal promotions, will map the potential talents of each employee. Therefore, talent management will have added value for the organization to achieve its goals. A merit system must exist in every organization, a merit system can function as a hierarchical legitimacy, which encourages policies that oppose the status quo. In this case, it encourages the existence of a merit system, so that the appointment of officials is in accordance with their qualifications, competencies and performance.

The research framework is a drawing or schematic of the flow of thought from the latent variables of exogenous competence, qualifications, performance, as well as latent variables of endogenous merit system and talent management. The framework of thought is below.

Figure 1 Framework

Catatan : C = Competence; Q=Qualification; P=Performance; MS= Merit System; and TM=Talent Management

The mathematical notation of the structural model equations from SEM is as follows:

$$\eta_1 = \gamma_{11} \xi_1 + \gamma_{12} \xi_2 + \gamma_{13} \xi_3$$

$$\eta_2 = \gamma_{21} \xi_1 + \gamma_{23} \xi_3 + \beta_{21} \eta_1$$

METHODOLOGY

The technique used in determining the research sample is non-probability sampling, with purposive sampling of 715 samples. To analyze sample data, Covariance-Based Structural Equation Modeling (CB-SEM) is a maximum likelihood estimation technique.

The measurement scale that will be used in this study is a Likert scale with scores ranging from

[1]Fieghie Fadila, [2]*Faris Shafrullah, [3]*Leni Indrawati, [4]Sedarmayanti, [5]Solahuddin Ismail, [6]Anita Firmanti Eko Susetyowati, [7]Noermijati, [8]Ananda Sabil Hussein, [9]Sunaryo

1 (very unimportant/agree/probably/often) to 5 (very important/agree/probably/often). To determine the category of respondents' answer scores, first look for the scale range which is calculated by subtracting the highest answer score (5) with the lowest answer score (1) and dividing by the number of answer scores (5), then the range for each category is 5-1/5=0.8; thus the answer category is determined based on the scale.

Research Instrument Test

The data processing technique was carried out by carrying out the stages of testing the research instrument with the Structural Equation Modeling (SEM) method as follows:

1. Validity Test; is to measure the validity or validity of a questionnaire, a questionnaire is said to be valid, if the questions on the questionnaire are able to reveal something that will be measured by the questionnaire, or use the right measuring instrument. According to Rigdon and Ferguson (1991), and Doll, Xia, Torkzadeh (1994) that a variable is said to have good validity on the construct or latent variable if:

a. The t value of the loading factor is greater than the critical value of 1.96 (> 1.96 or for practical purposes > 2), and/or

b. The standardized loading factors > 0.70, or according to Hair, et, al (1998) that the standard factor loading > 0.50 is very significant.

2. Reliability Test; is a tool to measure a questionnaire which is an indicator of a variable or construct. A questionnaire is said to be reliable or reliable if a person's answer to the statement is consistent or stable from time to time using the Cronbachs Alpha method and the value must be above 0.6 or (> 0.60). According to Hair et al (1998) that a construct has good reliability if:

a. The Construct Reliability (CR) value is > 0.70, and/or

b. The Variance Extracted (VE) value is > 0.50.

3. Assumptions that must be met in SEM are:

a. Normality; The fundamental assumption in simultaneous equations or multivariate analysis is normality, which is a form of data distribution on a single metric variable in producing a normal distribution (Hair et al 1998). If the normality assumption is not met and the normality deviation is large, then all statistical test results are invalid, because the t-test calculations and so on, are calculated with normal data assumptions. If the z values, both Zkurtosis and Zskewness are significant (less than 0.05 at the 5% level), it can be said that the data distribution is not normal.If the Zkurtosis and Zskewness values are not significant (more than 0.05 at the 5% level), it can be said that the data distribution is normal.

b. Multicollinearity; is to require that there is no perfect or large correlation between the independent variables. The correlation value between the observed variables that is not allowed is 0.9 or more.

4. Test the fit of the model or Goodness of Fit (GOF) in Structural Equation Modeling (SEM).

5. Regression Test: aims to examine the direct and indirect effect, and the total effect of three independent or latent exogenous variables (Competence, Qualification, and Performance Variables) directly and indirectly, on the endogenous latent dependent variable (Variables Merit System and TalentManagement).

RESULT

The characteristics of the respondents can be seen in the following table.

Table 1.Characteristics of the respondents

CHARACTERISTICS	FREQ	PERCEN

Sex		
Male	501	70
Female	214	30
Education		
Associate Degree	76	11
Bachelor Degree	433	61
Master Degree	192	27
Doctor Degree	14	2
Work Experience		
> 1-5 year	27	3.8
6-10 year	91	13
11-15 year	305	43
16-20 year	211	30
21-25 year	61	8.5
> 25 year	20	2.8

The results of the instrument test can be seen in the following table.

Table 2.Result Validity and Reliability

LATENT VARIABLE	INDICATOR	λ	λ^2	δ/ε	Sig	AVE	CR	RESULT	
COMPETEN	X1	0,71	0,50	0,5	12,65	0,50	0,83	VALID	RELIABLE
	X2	0,5	0,25	0,75	12,1			VALID	
	X3	0,67	0,45	0,56	11,78			VALID	
	X4	0,63	0,40	0,6	12,56			VALID	
	X5	0,61	0,37	0,63	12,19			VALID	
	X6	0,88	0,77	0,22	15,83			VALID	
QUALIFI-CATION	X7	0,87	0,76	0,25	26,95	0,75	0,89	VALID	RELIABLE
	X8	0,86	0,74	0,25	27,74			VALID	
	X9	0,82	0,67	0,33	25,22			VALID	

	X10	0,75	0,56	0,43	22,72			VALID	
	X11	0,58	0,34	0,66	16,65			VALID	
PERFOR-MANCE	X12	0,81	0,66	0,34	24,36	0,66	0,87	VALID	RELIABLE
	X13	0,7	0,49	0,51	19,24			VALID	
	X14	0,71	0,50	0,49	20,68			VALID	
	X15	0,69	0,48	0,52	20,3			VALID	
	X16	0,72	0,518	0,48	20,35			VALID	
	X17	0,64	0,41	0,58	18,59			VALID	
	X18	0,63	0,397	0,6	17,9			VALID	
MERIT SYSTEM	Y1	0,59	0,35	0,65	17,44	0,52	0,86	VALID	RELIABLE
	Y2	0,79	0,62	0,38	15,65			VALID	
	Y3	0,72	0,52	0,49	14,78			VALID	
	Y4	0,66	0,44	0,57	16			VALID	
	Y5	0,77	0,59	0,41	15,49			VALID	
	Y6	0,78	0,61	0,40	15,53			VALID	
TALENT MANA-GEMENT	Y7	0,75	0,56	0,43	13,78	0,57	0,86	VALID	RELIABLE
	Y8	0,72	0,52	0,44	17,43			VALID	
	Y9	0,74	0,55	0,45	17,21			VALID	
	Y10	0,63	0,40	0,61	17,27			VALID	
	Y11	0,57	0,325	0,68	14,09			VALID	
	Y12	0,66	0,44	0,56	14,68			VALID	
	Y13	0,63	0,397	0,6	15,28			VALID	

Validity Measurement

According to Bollen 1989 the validity of Xi measure of ξ_j is the magnitude of the direct structural relationship between ξ_j and Xi. In this definition, in order for a measure to be valid, the latent variable and the observed variable must have a unidirectional or direct relationship. There must be no intervention variable between Xi and ξ_j if Xi is to be a valid measure.

According to Rigdon and Ferguson (1991) and Doll, Xia, Torkzadeh (1994), a variable is said to have good construct validity or latent variable, if the t value of the loading factor is greater than the critical value > 1.96. The t-values in the t-value column are all greater than 1.96, which indicates that all indicators are valid and feasible to use. Standardized Loading Factors > 0.70, or > 0.50 are very significant as suggested by Igbaria et.al (1997). The use of a value of 0.50 or 0.70 as a critical value can be considered valid. Based on Table 2, the

instrument test results for all variables are valid, namely where the loading factor value is above 1.96 significant, and the standardized loading factors (λ) value is above > 0.50.

Reliability Measurement

Reliability test, namely testing the effect of each latent variable on the indicator or manifest variable. The reliability test can be done in two ways, namely the Composite Reliability method, or the Average Variance Extracted calculation method. The measurement reliability test or Composite Reliability measure where the standardized loadings value can be obtained from the Lisreloutput, and ej is the measurement error for each indicator or variable observed (Fornel and Larker, 1981).

The cut-off level to say that Composite Reliability is quite good is ≥ 0.7 (Bagozzi and Yi, 1988), and Average Variance Extracted ≥ 0.5 (Hair et.al, 1998). All indicators of latent variables, all indicator values above 0.7, therefore, all variables are reliable. If the

research instrument meets the criteria, then the analysis and interpretation can be measured. Based on Table 2, the instrument test results for all variables are reliable, where the value of the loading factor for Composite Reliability (CR) is quite good, ≥ 0.7, and the value of loading factors for Average Variance Extracted (AVE) is above ≥ 0.50.

Normality test

Normality test was carried out to find out the data was normally distributed or not. The conclusion is that all data are Normality or normally distributed, because the Zskewness value of all indicators or manifest variables is greater than 0.05, and the Zkurtosis value of all indicators or manifest variables is greater than 0.05 (Hair et.al, 1998).

Multicollinearity Test

Multicollinearity assumption requires that there is no perfect or large correlation between the independent variables. The correlation value between the observed variables that is not allowed is ≥ 0.9.

Table 3. Correlations Among Variables

VARIABLE	1	2	3	4	5
MERIT SYSTEM	-				
TALENT MANAGEMENT	0.63	-			
COMPETENCE	0.30	0.32	-		
QUALIFICATION	0.34	0.29	0.41	-	
PERFORMANCE	0.48	0.44	0.39	0.44	-

Based on Table 3 above, the research data is not affected by multicollinearity symptoms, because the correlation between variables is below 0.9.

Structural Equation Modeling

MERIT = 0.094*COMPETEN + 0.13*QUALIFIC + 0.38*PERFORMA, Errorvar.= 0.74, R^2= 0.26

      (0.041)   (0.045)   (0.050)   (0.092)

       2.27   2.93   7.70   8.07

TALENT = 0.53*MERIT + 0.10*COMPETEN + 0.14*PERFORMA, Errorvar.= 0.57 , R² = 0.43

$\quad\quad\quad$ (0.054) $\quad\quad\quad$ (0.037) $\quad\quad\quad\quad$ (0.043) $\quad\quad\quad\quad\quad\quad$ (0.055)

9.73 $\quad\quad\quad\quad\quad$ 2.84 $\quad\quad\quad\quad\quad\quad$ 3.34 $\quad\quad\quad\quad\quad\quad\quad\quad$ 10.34

Figure 1. Structural Equation Modeling (SEM)Estimasi
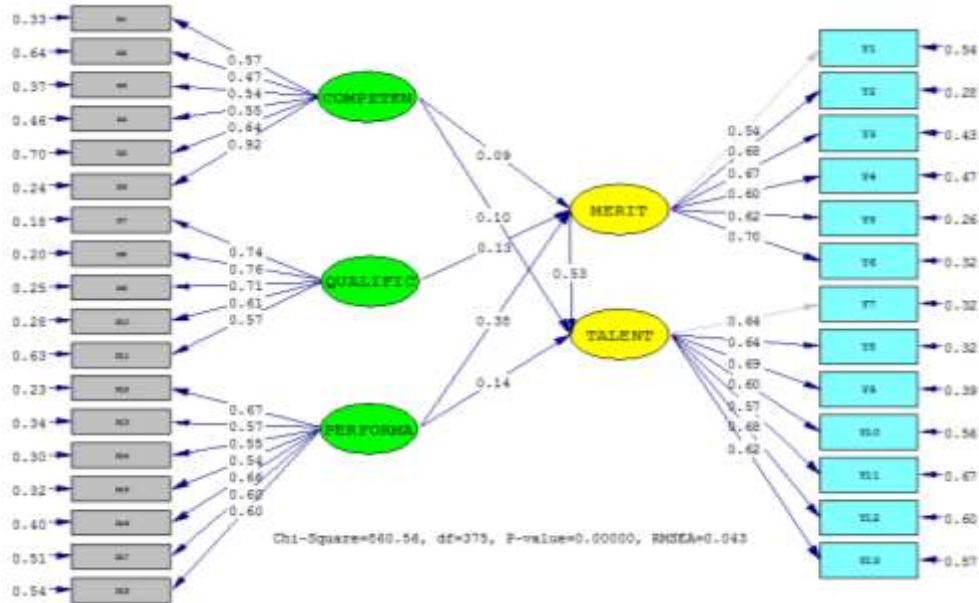
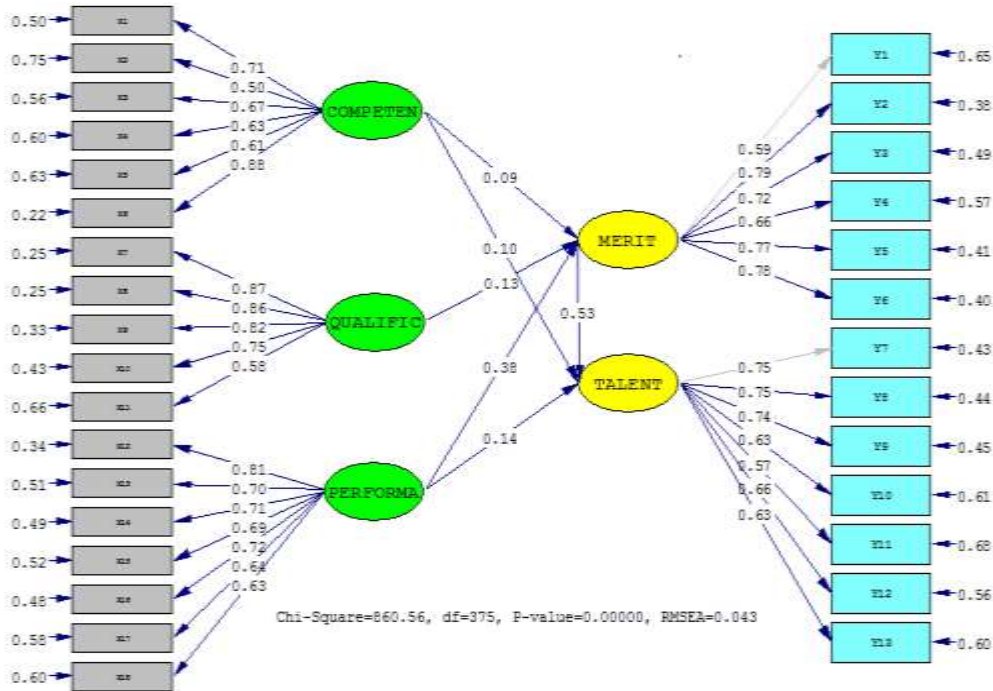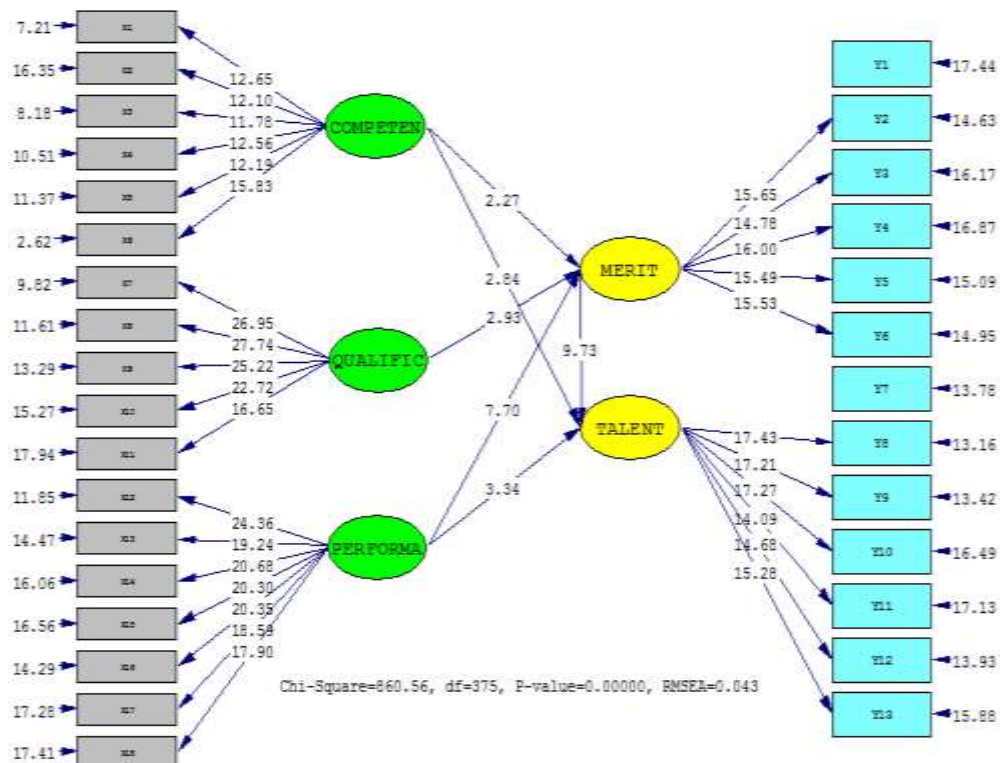Figure 2. Structural Equation Modeling (SEM) Standardized Loading Factors

Figure 3. Structural Equation Modeling (SEM) t-Values

The following table presents the equation model in Structural Equation Modeling SEM, which describes the direct and indirect effects of the variables below.

Table 4.RelationshipInfluenceDirect, Indirect and Total Effect

Correlation	Direct		Indirect		Total	
	Path	t-Value	Path	t-Value	Path	t-Value
Comp-->Merit	0.09	2.27	-	-	-	-
Quali-->Merit	0.13	2.93	-	-	-	-
Perform-->Merit	0.38	7.7	-	-	-	-
Merit-->Talent	0.53	9.73	-	-	-	-
Compe-->Talent	0.1	2.84	-	-	-	-
Perform-->Talent	0.14	3.34	-	-	-	-
Comp-->Merit-->Talent	-	-	0.05	2.24	0.15	3.68
Perform-->Merit--	-	-	0.20	6.8	0.34	7.54

[1]Fieghie Fadila, [2]*Faris Shafrullah, [3]*Leni Indrawati, [4]Sedarmayanti, [5]Solahuddin Ismail, [6]Anita Firmanti Eko Susetyowati, [7]Noermijati, [8]Ananda Sabil Hussein, [9]Sunaryo

>Talent								

In Table 4 above, the Competency variable has a positive and significant direct effect (absolute value of t-Value 2.27 above 1.96) on the Merit System variable of 0.09. Qualification variable has a positive and significant direct effect on the Merit System variable of 0.13. The Performance variable has a positive and significant direct effect on the Merit System variable of 0.38. The Merit System variable has a positive and significant direct effect on the Talent Management variable of 0.53. The Competence Variable has a positive and significant direct effect on the Talent Management variable of 0.1. Furthermore, the Performance Variable has a positive and significant direct effect on the Talent Management variable of 0.14.

Based on the table above, the results of data processing in this study, that the Competence variable has a significant positive effect on the Talent Management variable mediated by the Merit System variable of 0.05. The Performance variable has a significant positive effect on the Talent Management variable mediated by the Merit System variable of 0.20.

Furthermore, the total effect of the combined direct effect of the Competency variable on the Merit System is 0.09, which is added to the result of the indirect effect of the Competence variable on Talent Management mediated by the Merit System variable of 0.05 and the total effect is 0.15.

The total effect of the combined direct effect of the Performance variable on Talent Management is 0.14, which is summed with the result of the indirect effect of the Performance variable on Talent Management mediated by the Merit System variable of 0.20, and the result of the total influence is 0.34.

Goodness of Fit Test

Furthermore, the Goodness of Fit (GOF) test is as follows:

Table5. Parameter*Goodness of Fit* (GOF)

No	Index Fit	Criteria	Result	Evaluation
1.	Statistic Chi Square (χ^2)		851,28 (P=0,0)	Marginal Fit
2.	RMSEA	≤ 0,08	0,43	Good Fit
3.	RMR	RMR ≤ 0,05	0,037	Good Fit
4.	GFI	GFI ≥ 0,90	0,93	Good Fit
5.	TLI or NNFI	≥ 0,90	0,98	Good Fit
6.	NFI	NFI ≥ 0,90	0,97	Good Fit
7.	AGFI	AGFI ≥ 0,90	0,90	Good Fit
8.	RFI	RFI ≥ 0,90	0,96	Good Fit
9.	IFI	IFI ≥ 0,90	0,98	Good Fit
10.	CFI	CFI ≥ 0,90	0,98	Good Fit

11.	Critical N (CN)	CN ≥ 200	371,42	Good Fit

From Table 5 above, there are measures of model fit criteria that meet the requirements of suitability as a model in the study. That the size of the model fit criteria can be considered sufficient to meet the requirements to be a model or model fit, is that the criteria for the RMSEA, RMR, GFI, NNFI, NFI, AGFI RFI, IFI, CFI, and CN criteria have met the criteria for the Goodness of Fit (GOF) measure. Based on the table above, that the model in this study is suitable and feasible, so that the results can be drawn objective and accurate conclusions.

DISCUSSION

Competency variable has a direct positive and significant effect on the Merit System variable. This condition illustrates that the competence of functional officials in the Ministry of PUPR is an absolute requirement in fulfilling indicators and improving employee performance. The qualification variable has a positive and significant direct effect on the Merit System variable. This condition illustrates that the qualifications possessed by employees are an absolute requirement in fulfilling employee performance indicators. Furthermore, the Performance variable has a positive and significant direct effect on the Merit System variable. This condition illustrates that the performance of functional officials increases, so it can improve employee performance in the Ministry of PUPR.

Competency variable has a positive and significant direct effect on the Talent Management variable. This condition shows that the competencies possessed by employees will be able to facilitate the achievement of the targets that have been set and have an impact on increasing Talent Management. The Performance variable has a positive and significant direct effect on the Talent Management variable. This condition shows that good employee performance will make a positive contribution to the improvement of Talent Management. Furthermore, the Merit System variable has a positive and significant direct effect on the Talent Management variable. This condition shows that the combination of the Merit System as an intervening variable or mediating other latent exogenous variables can increase the Talent Management of functional officials, so that the Merit System is considered as one of the determining factors in optimizing the Talent Management of employees at the Ministry of PUPR.

CONCLUSION

The conclusion of this study is that competency development, performance development and increasing the qualifications of employees through education and training of employees on an ongoing basis will create job performance for employees. Furthermore, the combination of work performance as a mediation will strengthen the competence and performance of employees in order to encourage the development and management of employee talent at the Ministry of PUPR to be more optimal.

ACKNOWLEDGEMENT

REFERENCES

[1] Agarwal, P. (2016).Fitting Talent Management Strategy into National Culture.*Indian Inst. Manag.*, 2, 1–11.

[2] Aljunaibi, M.M. (2014). Talent Management and Employee Engagement;

The British University in Dubai: Dubai, UAE.

[3] AlMansoori, M.S. (2015). A Study into the Benefits of Developing Talent Management within the Public Sector: The Case of Abu Dhabi Police General Head Quarters-UAE. Ph.D. Thesis, Liverpool John MooresUniversity,Liverpool, UK.

[4] Banker, D.R.; Mashruwala, R.,Tripathy, A. (2014).Does a di_erentiation strategy lead to more sustainable financialperformance than a cost leadership strategy? *Manag.Decis*.52, 872–896.

[5] Berger, L.A.; Berger, D.R. (Eds.) (2004).The Talent Management Handbook: Creating Organisational Excellence by Identifying, Developing and Promoting Your Best People; McGraw-Hill: New York, NY, USA.

[6] Bergmann, C. (2016). Talent Management-A Comparison of Industry Specific Policies and the Use of Social Media.Available online:https://www.semanticscholar.org/paper/Talent-Management-%E2%80%93-A-Comparison-of-Industry-and-of-Bergmann/bcf5cac2e46942fa17645576a3cf9b050ef5e885.

[7] Bollen, K,A.,(1989). *Structural Equations with LatentsVariables*.Wiley,New York.

[8] Campbell, M.; Smith, R. (2014).High-Potential Talent: AViewfromInside the Leadership Pipeline [online]. Center for Creative Leadership.Available online:www.ccl.org/leadership/pdf/research/highpotentialtalent.pdf(accessed on 6 May 2015).

[9] Castellano, S. Shifting Leadership Capability. Association for Talent Development. 2012. Available online:www.td.org/Publications/Magazines/TD/TDArchive/2012/12/Intelligence-Shifting-Leadership-Capability.

[10] Chambers, E.G.; Foulton, M.; Handfield-Jones, H.; Hankin, S.M.; Michaels, E.G. (1998).The war for talent.Mc Kinsey Q.3, 44–57.

[11] Collings, D.G. and Mellahi, K. (2009).Strategic Talent Management: A review and research agenda, *Human Resource Management Review*, 19: 4, 304–313.

[12] Dries, N. (2013).Talent management, from phenomenon to theory: Introduction to the Special Issue. *Hum. Resour. Ma*nag. Rev. 23, 267–271.

[13] Dyer, L.; Reeves, T. (1995).Human resource strategies and firm performance: What do we know, where do we need to go? *Int. J. Hum. Resour. Manag*. 6, 656–670

[14] Farndale, E.; Kelliher, C.; Hope-Hailey, V. (2014). Work and organisation engagement: Aligning research and practice. *Emerald J. Organ.E_. People Perform*. 1, 157–176.

[15] Filmer, S. (2012). Talent-Retention Six Technology Enabled Best Practices. Available online:http://www.oracle.com/us/media1/talent-retention-6-best-practices-1676595.pdf.

[16] Fornel, C, and D.F, Larcker., (1981), Evaluating Structural Equation Models with Unobserved Variables and Measurement Error. *Journal of Marketing Research*, 18, 39-50.

[17] Gaebler, Ted, and Osborne, David.(1993). Reinventing Government : How The Entrepreneurial Spirit Is Transforming. Reading, MA. Addison Wesley Publishing Company

[18] Gandhok, T., Smith, R. (2014).Rethinking Cross-Border Talent Management: The Emerging Markets Perspective.AsianManag. Insights, 1, 18–25.

[19] Hair, J.F. Anderson, R.E, Tatham, R.L, and Black, W.C., (1998) Multivariate Data Analysis, 5th Edition, Prentice Hall International: UK

[20] Heckman,J.,Lewis, E. (2006). Talent management: A critical review. *Human Resource Management Review* [online].16. Available from: http://manage.persiangig.com/document/mme/talent%20mabnagement.pdf.

[21] IbraizTarique and Randall S. Schuler.(2010). Global Talent Management: Literature Review, Integrative Framework, and Suggestions for Further Research. *Journal of World Business*.Volume 45, Issue 2, April, Pages 122–133.

[22] Iles, P., Chuai, X. and Preece, D. (2010). Talent Management and HRM in Multinational Companies in Beijing: Definitions, differences and drivers', *Journal of World Business*, 45 (2), pp.179-189.

[23] Indrawati, Leni., Shafrullah, Faris., Ahmad, Mansyur., Akbar, Bahrullah., and Lukman, Sampara. (2021). The Effect of The Implementation of Operational Education Costs on The Realization Good Governance in The Government of The DKI Jakarta Province, *Journal Natural Volatiles & Essential Oils.* 8 (5): 9405-9416.

[24] Joreskog, Karl. and Dag, Sorbom, (1993), LISREL 8: Structural Equation Modeling with the SIMPLIS Command Language, SSI Scientific Software.

[25] Karam, A.K.; AbYazid, M.S.; Khatibi, A.; FerdousAzam, S.M. (2017).Measuring the Mediating Role of Talent Management, HRM and Organizational Success in UAE. Eur. J. Hum. Resour. Manag. Stud. 1, 22–35.

[26] Kehinde, J. (2012). Talent Management: E_ect on Organization Performance. *J. Manag. Res*. 4, 178–186.

[27] Khatri, Preeti.,Gupta, Shikha., Gulati, Kapil., Chauhan, Santosh.(2010). Talent Management in HR.*Journal of Management and Strategy* [online].1. (1). Available from: www.sciedu.ca.

[28] Lebas, M.; Euske, K. (2006).A Conceptual and Operational Delineation of Performance. In Business Performance Measurement; Cambridge University Press: Cambridge, UK.

[29] Lewis, R.E.; Heckman, R.J.(2006). Talent Management: A Critical Review. Hum. Resour. Manag. Rev. 16, 139–154.

[30] Maltz, A.C.; Shenhar, A.J.; Reilly, R.R. (2003).Beyond the Balanced Scorecard: Refining the Search for Organizational Success Measures.*Long Range Plan*. 36, 187–204.

[31] McDonnell, Anthony; Ryan Lamare ; Patrick Gunnigleand Jonathan Lavelle. (2010). Developing Tomorrow's Leaders-Evidence of Global Talent Management in Multinational Enterprises. *Journal of World Business*.Volume 45, Issue 2, April 2010, Pages 150–160.

[32] McDonnell**, A.** (2011)**.**Still Fighting the "War for Talent"? Bridging the Science Versus Practice Gap.*Journal of Business and Psychology*,- Springer.

[33] Michaels, E.; Handfield-Jones, H.; Axelrod, B. (2001), *The War for Talent; Harvard Business School Press: Boston*, MA,USA.

[34] Miller, J.M.D.J.; McCartney, C.; Baron, A. (2010).Shaping the Future: Exploring the Drivers and DerailersofSustainable Organization Performance. Available nline:https://www.ufhrd.co.uk/wordpress/wpcontent/uploads/2010/08/6_7.pdf.

[35] Nafei, W.A. (2015). Talent Management and Health Service Quality from the Employee Perspective: A Study on Teaching Hospitals in Egypt. *Am. Int. J. Soc. Sci*. 4, 91–110.

[36] Nikravan, L. (2011). How to Keep High-Potential Employees. Available online:http://clomedia.com/articles/view/how-to-keep-high-potential-employees

[37] Paauwe, J. (2007). HRM and Performance. In Search of Balance; Tilburg University: Tilburg, The Netherlands.

[38] Phillips, D.R.; Roper, K.O. (2009).A framework for talent management in real estate. J. Corp. Real Estate, 11,7–16. Sustainability 2020, 12, 8372 18 of 21

[39] Rigdon, E.E, and C.E., Ferguson., (1991). The Performance of the Polychoric Correlation Coefficient and Selected Fitting Function in Confirmatory Factor Analysis with Ordinal Data. *Journal of Marketing Research*, Sept, 491-497.

[40] Richard, P.J.; Devinney, T.M.; Yip, G.S.; Johnson, G. (2009). Measuring organizational performance: Towards

[1]Fieghie Fadila, [2]*Faris Shafrullah, [3]*Leni Indrawati, [4]Sedarmayanti, [5]Solahuddin Ismail, [6]Anita Firmanti Eko Susetyowati, [7]Noermijati, [8]Ananda Sabil Hussein, [9]Sunaryo

methodological best practice. *J. Manag*. 35, 718–804.

[41] Rop, L. (2015). Influence of Talent Attraction on Organizational Performance in Public University Campuses in County Government of Nakuru, Kenya.*Int. J. Manag. Inf. Technol*. 10, 2453–2460.

[42] Schultz, T. W, Investment in Human Capital,*JSTOR The American Economic Review*, Vol. 51, No. 1 Mar., pp. 1-17

[43] Scullion, H., Collings, D.G., Caligiuri, P. (2010).Global talent management.*Journal World Business*. 45, 105–108.

[44] Shafrullah, Faris, (2019). Corruption, Income Inequality, and Poverty in Indonesia, *International Journal of Economics, Commerce and Management*. United Kingdom ISSN 2348 0386 Vol. VII, Issue 8.

[45] Sheehan, M.; Grant, K.; Garavan, T. (2018). Strategic talent management: A macro and micro analysis of current issues in hospitality and tourism. *Worldw. Hosp. Tour. Themes*. 10, 28–41.

[46] Stahl, G, K.,Björkman, I, Farndale, E, Morris, S,S., Paauwe, J., Stiles, P., Trevor, J., Wright, M.P. (2007). GlobalTalent Management: How Leading Multinationals Build and Sustain Their Talent Pipeline. Availableonline:https://www.semanticscholar.org/paper/Global-Talent-Management-%3A-How-Leading-Build-andWuStahl/b75125aa70089dd24fbc0e860971fdb1a6ed9418.

[47] Stahl, G.K.; Bjorkman, I.; Farndale, E.; Morris, S.S.; Paauwe, J.; Stiles, P.; Trevor, J.; Wright, P.M. (2012). Six principlesof effective global talent management.*MIT Sloan Management*. Rev. 2012, 53, 24–32.

[48] Terpstra, D.; Rozell, E.(1993). The relationship of stang practices to organizational level measures of performance.Pers. Psychol. 1993, 46, 27–48.

[49] Tseng, S.M. (2014). The impact of knowledge management capabilities and supplier relationship management on corporate performance. Int. J. Prod. Econ.154, 39–47.