

# The implementation of talent management

## a case study in an organisation having an integrated talent program

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**Abstract**—the aim of this research is to review the implementation of talent management in an Indonesian company context and to investigate the effectiveness of the current talent management model and practices. This is important because in Indonesia, the quality and human resource capabilities are still under some ASEAN countries that put Indonesia on Human Development Index ranking of 108, below other South East Asian countries such as Singapore, Brunei, Malaysia, Thailand, and the Philippine. Moreover, in 2015, Indonesia will enter the ASEAN Economic Community, in which foreign workers can freely come to work in Indonesia, the competency requirements are: constantly changing business environment, the demands of a new global business model, engineering and growth opportunities, as well as the shifting market needs and demands for cutting-edge management practices. The idea is that a company should be able to manage the employee as a capital and an asset to provide and increase added value and a competitive advantage when compared to its competitors. Therefore, through the concept of talent management, a company is expected to be able to acquire and retain employees who have a high talent as one of the business achieved competitive advantage. As a case study, we present a study on talent management practices in Telkom Indonesia as a case of the symbolic use of talent management in a highly technology institutional environment in a developing country (Indonesia). Telkom Indonesia gains numerous benefits of introducing talent management, whereas logic in Telkom Indonesia is merely changing from a weak state-owned enterprise into a solid, speed and smart state-owned enterprise

**Keywords**—Talent management; talent pool; talented people

### I. INTRODUCTION

Research from McKinsey in 2005 revealed data showing the need for talent management is taken seriously, namely: (i) the company's growth is limited due to insufficient proper talented employees, (ii) the company needs talented leader, (iii) within five years, average company will lose 30 percent of its executive staff, (iv) high error rate (40 percent to 50 percent) when employees executive recruited from outside the company, (v) two thirds of the employees have a level of confidence that will be low to medium top leaders on them, three-quarters of their executive also noted the same.

In Indonesia, the quality and capability of human resources are still below most of the ASEAN countries. The survey, conducted McKinsey and Company in 2010 puts the Indonesia Human Development Index ranks 108, below countries, Singapore, Brunei, Malaysia, Thailand, and the Philippines. Thus, talent management becomes a critical thing. Talented employees would be more contested because the amount is small compared to companies that require it, in accordance with the laws of supply and demand. Ultimately, organizations that do not have the opportunity to have talented employees will be difficult to run the organization.

Developing talent is part of talent management. According to Davis [1], the successful development of talent actually depends on the participants who take part in it, or in other words, depending on the employees who participates in the talent development program. Therefore, according to Pella [2], in order to run an effective talent development, then the employees should be divided into groups based on certain criteria. Investment for individuals in groups is different with individuals in other groups. Companies are substantial to map out how the conditions in the company's human resources, mapping aims to put every employee in accordance with their potential. Mapping also aims to plan for the development of each individual to achieve optimal development potential. Mapping the human resources that are widely used is known as Human Asset Value Mapping (Davis [1])

Research conducted by The Boston Consulting Group [3], on several continents with the title "Creating People Advantage-How to address HR Challenges Worldwide through 2015" concluded that: (i) employee talent and leadership will become increasingly scarce resources, (ii) age labor force on average will be getting older, and now people tend to have fewer children (iii) the companies will move into a global organization, (iv) emotional needs of employees will be more important than ever.

In talent management, the most important thing is the development of talented employees (Cheese [4]). Two-thirds of respondents informed that in talent management, their focus is on developing talent. The success of a company or organization is largely determined its human resources,

especially human resources which have high potential and talent compared to others in a group or parts of the company. Thus, a company must be able to manage human capital and assets so as to provide and increase added value and a competitive advantage when compared to its competitors in the same business. Talent Management is away to acquire and retain employees who have a high talent as one of the business achieve competitive advantage.

There have been many companies that actually have implemented the concept of talent management, but not with the truly appropriate concept. Experiences showed that companies only produce a maximum of 20 percent of the total of 80 percent who gave the best contribution in the implementation of this talent management (Pella [2]). There is nothing really new in this concept, but it is important that talented employees need to be carefully selected and prepared as candidates for future leaders.

Telkom Indonesia ("Telkom") has been implementing talent management, the current process is currently rated effective however there is still ample room for the process to be developed to run more effective. Talent Management at Telkom consists of identifying the needs of talented employees, a strategy in selecting talented employees, developing employees' talents, and retains talented employees. Employees who have high qualifications and skills as well as meet the expected criteria selected and inserted into a central program development talent (talent pool). The program aims to ensure potential employees are given the best management in the form of education, training and so forth to optimize their competence so as to provide maximum contribution in order to achieve corporate objectives set out earlier.

## II. METHODOLOGY

This research used descriptive quantitative data obtained from population samples that were analyzed according to the qualitative approach and then were interpreted. According to Yin [5], descriptive research is research done to determine the value of an independent variable, either one or more variables (independent) without making comparisons, or connect with other variables. According to Yin [5], on qualitative research, qualitative data is data in the form of words, schemes, and images.

Qualitative methods, which in essence is an inductive process that aims to get the results of the observation of the research object (a special), which is expected to result in a conclusion (general), as disclosed by Yin[5]. So through research with qualitative methods obtained an overview of the implementation of the talent management and employee development practices talented at Telkom. Then from the description that has been obtained, it is analyzed to get a chance in the drafting of talent management and development of talented employees at Telkom when it is realized that the design was made to reduce the weaknesses of the talent management which runs recently.

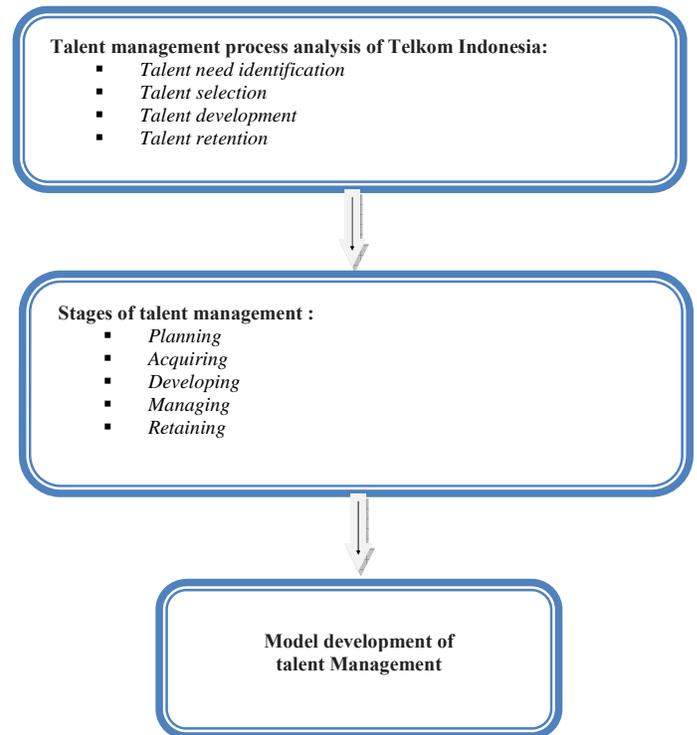


Fig.1 Framework

This type of research method is a case study because the study was conducted with the aim of knowing and analyzing the talent management processes and practices in the current development of talented employees, as well as designing a model of talent management and advises the development of talented employees to Telkom. Case study method was considered to be very precise in support of writers to achieve the objectives of this research, because according to Yin [5], the case study method is suitable strategy when the principal questions about a study regarding the "how" or "why". This is in accordance with the formulation of research, namely: "How is the existing model of Talent Management at Telkom", "How can the gap between the current model of talent management and model that ideal?", and "How to design a development model that is appropriate for talent management applied to Telkom?"

The operational variables in this research are as follow (Source: Processed by authors from Davis [1], Berger [6], Berger [7] and Darrin [8]):

- **Variable:** Talent Management
  - **Sub variables:** Talent identification requirements
    - **Definition of sub-variables:** Identify key positions in the organization that will be occupied by the talent
    - **Indicator:** Analysis of needs and Criteria key position
  - **Sub variables:** Talent selection
    - **Definition of sub-variables:** Attract and select talent within the organization

- **Indicator:** Criteria of talent, Source talent and Selection method
- **Sub variables:** Talent pool
  - **Definition of sub-variables:** A group of employees who have a high potential to occupy executive positions in the organization
  - **Indicator:** Talent pool system and The elements of talent
- **Sub variables:** Talent development
  - **Definition of sub-variables:** Develop talent within the organization
  - **Indicator:** Development, Strategy, Development, Programs, Development methods and Development program evaluation
- **Sub variables:** Talent retention
  - **Definition of sub-variables:** Commitment to establish and maintain talent within the organization
  - **Indicator:** Retention strategies and Retention type

III. RESULTS AND DISCUSSIONS

A. Gap between existing talent management model and the ideal model of talent management

Gap analysis was conducted between the current talent management model of Telkom and the ideal model of talent management based on the theory of Darrin [8]. A talent management model designed by Darrin is the ideal model of talent management that can be applied to the talent that comes from both internal and external to the company and according to the author of talent management model of Telkom less than ideal if applied to the talent that comes from external companies. Based on the results of research at Telkom, the source of talent now only come from internal sources but in line with the needs and development of the company's business abroad, Telkom is currently planning to recruit external talent to meet the demand for talent in the business - the business of Telkom abroad also meet the needs of talent in other corporate actions in order to develop the company's business that are not currently engaged only in telecommunications but has been doing business expansion in the field of information, media, education, and service. This lead the company requires some specific competences of external talent there is no or scarce in the company.

The writer prepares a gap analysis between current models compared talent management model that is ideal for seeing less and implementation phases are not in accordance with the theory of talent management, as shown in the figure 2 below.

Based on the gap analysis carried out in the figure, the authors found some gaps that could potentially be an issue in the management of talent management because of the potential to affect the performance of the existing talent in the company as well as external talent management will be recruited by the company.

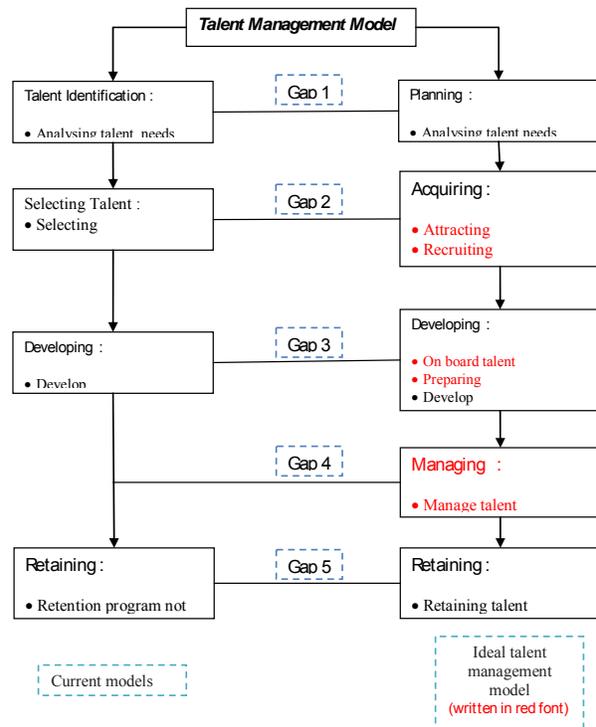


Fig. 2 Gap analysis

B. Gap between current talent management model with the ideal model of talent management

Table 1: Current vs. ideal talent management model

Current model of talent management	Ideal talent management model
The current model is not suitable to be applied in the management of external talent, the absence of some necessary steps in the management of external talent as the stage of attracting (creating a talent magnet), recruiting (bring talent into the organization) in acquiring talent. Then there is no on-boarding phase new talent, preparing new talent in developing talent.	The ideal model can be applied in the management of internal and external talent. (Processed by authors from Davis[1],Darrin[8],Palan[9], Wardah[10])
The current model is not able to make sure whether the talent has achieved business goals and motivating talent to keep providing optimal performance because there is no phase of managing talent for monitoring and ensuring performance remains superior talent.	The ideal model can monitor performance regularly talent in more frequent and motivate talent to optimize its performance (Processed by authors from Davis[1], Darrin[8],Palan[9], Wardah[10])

C. The design of the development model of Talent Management

Based on the discussions, the expectation of the executive talent management is the development of a model that can manage the performance of the talent that has been identified in order to retain an optimal performance and has fixed the criteria of superior talent. Therefore the talent the company will continue to be monitored and managed effectively. Then, in line with the needs and development of the company's business abroad, Telkom is currently planning to recruit

external talent to meet the demand for talent in the international business expansion of Telkom worldwide also needs talent in other corporate actions in order to develop the company's business.

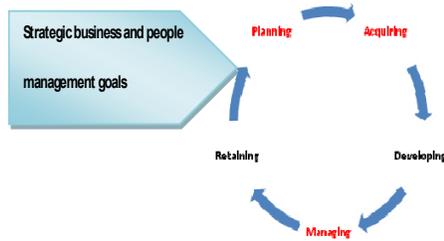


Fig. 3 Recommended model development of talent management

#### IV. DISCUSSIONS

The talent management model development that should be applied by Telkom is talent management that is aligned and supports the achievement of the goals of the company and also adapts to the requirements and needs of the company at the current time. Therefore, based on the research that has been conducted, the authors suggest some of the following:

1. Management of talent should always be adapted to the corporate strategic scenario (CSS), if there is a change in the CSS, the adjustment must be made in the implementation of talent management in order to run effectively.
2. In the management of talent is advisable to have a combination of internal and external talent. Because the talent that comes from external companies provide perspective, creativity and ideas, paradigms and a new culture of the company. External talent also creates a fresh and a new insight into the company, specifically for the talent that will be placed on business-to-business companies who are abroad. External talent originating from the country to better understand the culture, also has a different perspective on running business in the country that also becomes an effective business communication in the country concerned. The cost is relatively lower and faster in time than to educate and train from within the company, especially if the human resources do not have the competence of the new company needs.
3. In order for the development of employees in the company to run effectively, the company needs to map the competence of the people in the company. Employee development should be based on the results of the mapping of human asset value so that the company knows who the employees who can be classified as a star, a potential person, a career person, a problematic person and a dead wood. Therefore, employees are developed according to their potential. If the company is able to map the potential talent in the company, the employee development program would be effective and appropriate to the target hence it can produce the best talent for the company.

4. After getting talented people, the company should pay attention to the development of a series of skills and characteristics that allow these people to actualize their potential. The talent development strategy should contain the following elements: (i) assessment: competence, capability and potential; (ii) training needs analysis: the identification of talent deficiency matrix; (iii) training programs: education and training programs; (iv) the assessment of the impact of: measuring the impact of training programs.
5. During the journey to the top of the destination, the talent must acquire and develop technical competence and professional, but they also need to develop a number of personal characteristics that will be needed to reach the top. The required quality of the which include leadership, insight, focus, dedication, integrity, communication skills, numerical ability and ambition.
6. For career development, Although career development has been carried out in the company, necessary adjustments of the career development should be dynamically developed for changes in Telkom corporate strategic scenario (CSS), in periodic (quarterly or half) with considering business opportunities in the field of telecommunication, information, media, edutainment, and services. Changes in corporate strategic scenario in the form of corporate action such as opening up new business segments, the opening of a new subsidiary, the purchase (acquisition) of companies at local and abroad, merger and/or spin-off companies and subsidiaries led to the need for new talent. In preparing individual development planning (IDP) talent should also be given information about their career advancement opportunities that can change with the change in the CSS.

#### V. CONCLUSIONS

This study investigated the practice of the current talent management model at Telkom. The result of this study found that the current model of talent management and the existing implementation of talent management at Telkom need to be developed based on the best practice model that fit to the current operational and objective of the company in order to motivate the talented person of the company to achieve better performance. Based on those findings, the authors suggest the development design of talent management model and recommendation for the implementation of talent management.

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