

THE ROLE OF EMPLOYEE ENGAGEMENT MEDIATION ON THE INFLUENCE OF TALENT MANAGEMENT AND KNOWLEDGE MANAGEMENT ON EMPLOYEE PERFORMANCE

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Abstract

This research examines the mediating role of employee engagement on the influence of talent management and knowledge management on employee performance at the BPJS Health Partners Hospital, Langsa City. The sample in this study were employees at the Langsa City Regional Hospital, Cut Meutia Hospital and Cut Nyak Dhien Hospital, Langsa City, Aceh Province, totaling 172 people. Data collected through questionnaires were analyzed using a data analysis method using Structural Equation Modeling (SEM) which was operationalized with the Analysis of Moment Structure (AMOS) tool. The research results show that talent management and knowledge management have a significant effect on employee engagement and employee performance. And employee engagement has a direct effect on employee performance. Then, in testing the indirect effect of employee engagement, it was found to act as a partial mediating variable in the relationship between the influence of talent management and knowledge management on employee performance. It is hoped that the results of this research will be important information for organizational leaders and managers in making policies related to developing employee performance at Langsa City Regional Hospital, Cut Meutia Hospital and Cut Nyak Dhien Hospital, Langsa City, Aceh Province.

Keywords: *talent management, knowledge management, employee engagement, employee performance*

INTRODUCTION

Employee engagement is an important variable that must be considered by organizations to achieve good employee performance. Talent within an organization that has the capability and potential to support the achievement of organizational strategy will be able to improve employee performance and also increase employee engagement (Bedarkar & Pandita, 2014). High or low organizational performance really depends on individual performance, in other words individual performance will contribute to the strength of organizational performance. Employee performance is the main description and dimension in measuring organizational success (Bedarkar & Pandita, 2014).

To guarantee the creation of organizational performance, the organization must be able to create high employee performance so that the organization can maintain sustainability and competitive advantage. The success of an organization in creating and growing employee engagement will have an impact on improving employee performance comprehensively. Employee performance is the employee's actual achievement compared to the employee's expected achievement (Imran & Tanveer, 2015). The employee engagement factor is a determinant of high and low employee performance. This shows that the greater the employee's attachment to the organization, the greater the potential for employee performance and vice versa. The concept of engagement between employees and organizations is a modern concept where organizations place employees as important assets that must be looked after so that they place employees in important positions and this is different from the old concept which placed employees as part of a production factor that was not really paid attention to by the organization. Employee engagement with this organization was first proposed by Kahn (2010),

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Cecep Syaifullah Syahputra¹, Marbawi^{2}, Ibrahim Qamarius³, Faisal Matriadi, Nur Faliza⁴, Yulius Dharma⁵*

(Bedarkar & Pandita, 2014). Khan stated that individuals or employees who are engaged in their work in the organization will be connected to their role in working optimally both physically, cognitively and emotionally. Other researchers also suggest that the drivers of employee engagement influence worker motivation and performance. Employees will feel enthusiastic and satisfied with the work they do if the organization pays special attention to them and they feel attached to the organization and it can be ensured that employees have a good attachment to the organization which will motivate employees to improve their performance, (And & Puapradit, 2019) . The same findings were also expressed by previous researchers who said that there was a significant linear correlation between employee loyalty and employee engagement on employee performance. These findings also strengthen previous findings (Preko & Adjetey, 2013). Organizations that want to create employee engagement must be well structured and this effort must begin by truly implementing talent management and knowledge management within the company.

Karuri & Nahashon (2015) also found that employee work outcomes are significantly influenced by attraction, retention, employee training and employee career management in an organization. Irtamieh et. al (2016) also said the same thing. According to them, the level of importance and implementation of talent management strategies, service quality and beneficiary satisfaction have positive and significant results on employee engagement. Nzewi, et.al (2015) found that there is a positive influence between talent management and employee performance in an organization. Another human resource management strategy for improving employee performance and employee engagement that can also be obtained with knowledge management is managing employee knowledge in the organization as efficiently and effectively as possible. Every organization needs to realize that the knowledge held within the company must be utilized efficiently and effectively. The quality of employees can be determined and assessed from the knowledge they have.

The main problems that will be examined in this research are:

1. Does talent management affect employee engagement?
2. Does knowledge management affect employee engagement?
3. Does talent management affect employee performance?
4. Does knowledge management affect employee performance?
5. Does employee engagement have an effect on employee performance?
6. Does employee engagement mediate the influence of talent management on employee performance?
7. Does employee engagement mediate the influence of knowledge management on employee performance?

METHOD

Location and Research Objects

The objects in this research are hospital nurse employees who are BPJS partners in Langsa City. In Langsa City there are three large hospitals that are BPJS partners. Researchers deliberately chose the three largest hospitals in Langsa City so that they could represent the true situation of each variable in the hospitals in Langsa City. These hospitals are Langsa City Regional Hospital, Cut Meutia Hospital and Cut Nyak Dhien Hospital.

Population and Sample

Indriantoro & Sopomo, (1999) stated that a population is a group of people, events or things that have certain characteristics. So the population in this study is all employees at three hospitals in Langsa City as shown in the following table:

No.	Hospital Name	Number of Employees	Sampel 20%
1.	Langsa City Regional Hospital	554	112
2.	Cut Meutia Hospital	193	38
3.	Cut Nyak Dhien Hospital	113	22
Total		860	172

RESULTS AND DISCUSSION

Direct Effect Test Results

Table 1. Effect of Exogenous Variables on Endogenous Variables

			Stand. Estimati e	Estimate	S.E	CR	P
Employee_Engagement	<-- -	Talent_Management	0.138	0.119	0.07 2	1,65 3	0.09 8
Employee_Engagement	<-- -	Knowledge_Management	0.54	0.541	0.10 6	5,09 9	***
Employee_Performance	<-- -	Talent_Management	0.237	0.198	0.06 4	3,11 5	0.00 2
Employee_Performance	<-- -	Knowledge_Management	0.329	0.318	0.09 3	3,42 2	***
Employee_Performance	<-- -	Employee_Engagement	0.422	0.408	0.09 7	4,21 8	***

Based on the results of data analysis as shown in Table 5.25, it can be explained that all variables are exogenous (*talent management* and *knowledge management*) have a significant direct influence on employee engagement and employee performance, and employee engagement has a significant influence on employee performance

Mediation Effect Test Results

To see the influence of the mediation effect, you must first see how big the direct effect is, the indirect effect and the total effect. Based on tests carried out using Amos, the results obtained are as in the following table.

Direct Effect, Indirect Effect and Total Effect

	Knowledge Management	Talent Management	Employee Engagement	Employee Performance
Standardized Direct Effect				
Employee Engagement	0.54	0.138	0	0
Employee Performance	0.329	0.237	0.422	0
Standardized Indirect Effects				
Employee Engagement	0	0	0	0
Employee Performance	0.228	0.058	0	0
Standardized Total Effect				
Employee Engagement	0.54	0.138	0	0
Employee Performance	0.557	0.295	0.422	0

THE ROLE OF EMPLOYEE ENGAGEMENT MEDIATION ON THE INFLUENCE OF TALENT MANAGEMENT AND KNOWLEDGE MANAGEMENT ON EMPLOYEE PERFORMANCE

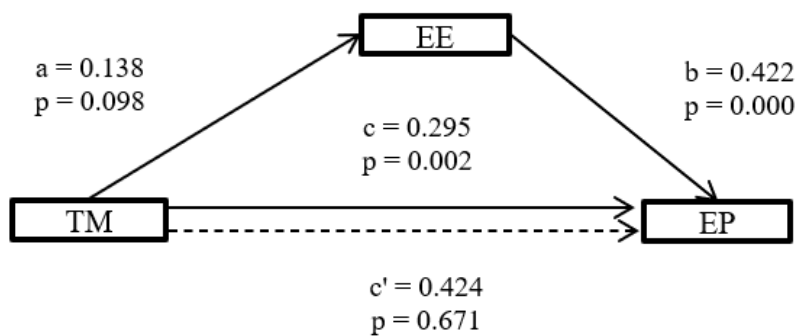
Cecep Syaifullah Syahputra¹, Marbawi^{2}, Ibrahim Qamarius³, Faisal Matriadi, Nur Faliza⁴, Yulius Dharma⁵*

Source: Primary Data (2024)

From Table 5.26 it is known that the direct influence of talent management on employee engagement is 0.138 and on employee performance is 0.237. Then the direct influence of knowledge management on employee engagement is 0.540 and employee performance is 0.329. Meanwhile, the direct influence of employee engagement on employee performance is 0.422. Furthermore, the indirect effect of talent management on employee performance is 0.058. Meanwhile, the indirect effect of knowledge management on employee performance is 0.228. Then table 5.26 also explains that the total influence of talent management variables on employee engagement is 0.138 and on employee performance is 0.295. Meanwhile, the total influence of the knowledge management variable on employee engagement is 0.540 and on employee performance is 0.557.

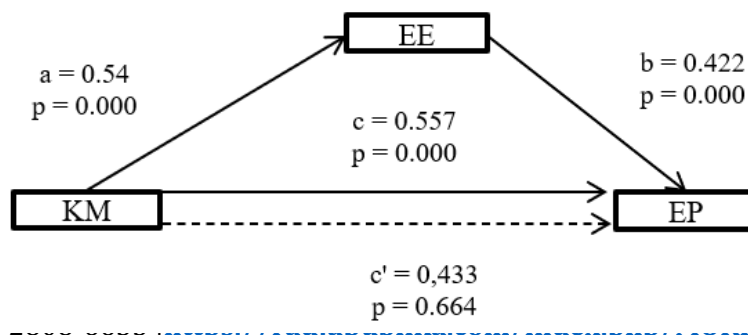
Employee Engagement Mediating the Influence of Talent Management on Employee Performance.

The results of testing the mediation (intervening) effect of the relationship between talent management variables and employee performance variables which are mediated by employee engagement variables and are displayed in the form of an image as in the image below. To find out the significance of path C', you can use the Sobel test an interactive calculation tool for mediation tests which produces the Sobel test, Aroian test and Goodman test.



The picture above shows that the coefficients of path A (P value = 0.098 > 0.05), path B (P value = 0.000 < 0.05), and path C (P value = 0.002 < 0.05) are significant, but the significant value of path C' is not significant. Because the probability of path C' (P value = 0.671 > 0.05) is not significant, it can be concluded that there is a full mediation relationship or in other words the employee engagement variable fully mediates between talent management and employee performance in employees of the Langsa City Regional Hospital, Rumah Cut Meutia Hospital and Cut Nyak Dhen Hospital, Langsa City, Aceh Province.

Employee Engagement Mediating the Effect of Knowledge Management on Employee Performance.



From the picture above it can be explained that the coefficients of path A (P value = 0.000 < 0.05), path B (P value = 0.000 < 0.05), and path C (P value = 0.000 < 0.05) are significant, but the significant value of path C' is not significant. Because the probability of path C' (P value = 0.664 > 0.05) is not significant, it can be concluded that there is a full mediation relationship or in other words the employee engagement variable fully mediates between *Knowledge Management* with employee performance at Langsa City Regional Hospital, Cut Meutia Hospital and Cut Nyak Dhien Hospital, Langsa City, Aceh Province.

Hypothesis Proving Conclusion Hypothesis Test Results

No.	Hypothesis Statement	Stand. Estimate	S.E	CR	P	Conclusion
H1	<i>Talent management</i> has a significant effect on employee engagement	0.138	0.072	1,653	0.098	Reject the Hypothesis
H2	<i>Knowledge management</i> has a significant effect on employee engagement.	0.54	0.106	5,099	0,000	Accept the Hypothesis
H3	<i>Talent management</i> has a significant effect on employee performance	0.237	0.064	3,115	0.002	Accept the Hypothesis
H4	<i>Knowledge management</i> significant effect on employees.	0.329	0.093	3,422	0,000	Accept the Hypothesis
H5	<i>Employee engagement</i> has a significant effect on employee performance	0.422	0.097	4,218	0,000	Accept the Hypothesis
H6	<i>Employee engagement mediates the influence of talent management</i> on employee performance	0.424	0.137	0.058	0.671	Accept the Hypothesis
H7	<i>Employee engagement mediates the influence of knowledge management</i> on employee performance.	0.433	0.525	0.228	0.664	Accept the Hypothesis

Source: Processed Data (2024)

Conclusion

Based on the research results as explained in the previous chapter, the conclusions in this research can be:

1. *Talent management* It was found that it did not have a significant effect on employee engagement, but talent management was found to have a significant effect on employee performance at Langsa City Regional Hospital, Cut Meutia Hospital and Cut Nyak Dhien Hospital, Langsa City, Aceh Province.
2. *Knowledge management* found to have a significant effect on employee engagement and employee performance at Langsa City Regional Hospital, Cut Meutia Hospital and Cut Nyak Dhien Hospital, Langsa City, Aceh Province.
3. *Employee engagement* It was also found to act as a mediating variable in the relationship between the influence of talent management and knowledge management on employee

THE ROLE OF EMPLOYEE ENGAGEMENT MEDIATION ON THE INFLUENCE OF TALENT MANAGEMENT AND KNOWLEDGE MANAGEMENT ON EMPLOYEE PERFORMANCE

*Cecep Syaifullah Syahputra*¹, *Marbawi*^{2*}, *Ibrahim Qamarius*³, *Faisal Matriadi*, *Nur Faliza*⁴, *Yulius Dharma*⁵

performance at Langsa City Regional Hospital, Cut Meutia Hospital and Cut Nyak Dhien Hospital, Langsa City, Aceh Province.

Suggestion

1. To be able to increase employee involvement in completing organizational work at the Langsa City Regional Hospital, Cut Meutia Hospital and Cut Nyak Dhien Hospital, Langsa City, Aceh Province. Organizations can emphasize employee talent management such as employee recruitment methods, employee placement methods, employee digital skills, compensation methods, maintenance and employee retention rates. So these factors can be used as important information to improve employee performance.
2. To be able to increase employee involvement in completing organizational work at the Langsa City Regional Hospital, Cut Meutia Hospital and Cut Nyak Dhien Hospital, Langsa City, Aceh Province. Organizations can emphasize improving employee knowledge management such as learning methods and knowledge for employees, methods and ways of sharing knowledge, perfecting knowledge, shared vision, systematic thinking, and learning in work groups.

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