Effect of Leadership on Talent Management Process in Universities in Indonesia

Dyah Purwaningsih
Sekolah Tinggi Ilmu Ekonomi GICI, Depok, Indonesia
dyahsidik@gmail.com

Mohammad Kurniadi Rasyid
Institut Teknologi Indonesia, Tangerang, Indonesia.
kurniadirasyid@gmail.com

Abstract

The aim of this research is to explore the effect of leadership on the talent management process in universities in Indonesia. This research used quantitative approach. The respondents were 108 talented education personnel from 12 universities in West-Java, Indonesia. The sampling method was used to collect data using surveys and questionnaires. The collected data from the respondents were analyzed using Structural Equation Model Partial Least Square (SEM-PLS). The Smart PLS 3.0 software was used to process the data. The study have found that leadership is proven to have an impact on the success of talent management. The results show that the application of leadership can support a better talent management process at universities.

Keywords
Talent management, Leadership, Universities

1. Introduction

Competition among universities around the world is increasing day by day (Musselin, 2018). Every university and also every country require to perceive their position in this competition. The ranking of tertiary institutions in Indonesia is still very far behind among universities in the world. Based on the annual report on the ranking list of universities in the world that has been released by the QS World University Rankings in 2022, only 6 universities in Indonesia get into the top 1000 universities. The 6 universities are Gadjah Mada University (UGM) at position 254, University of Indonesia (UI) at position 290, Bandung Institute of Technology (ITB) at position 303, Airlangga University at position 465, Bogor Agricultural University (IPB) in the ranking group 511–520, and the Surabaya Institute of Technology (ITS) in the 751-800 ranking group. Universities in Indonesia strive to be better, including by hiring human resources with good work skills. To be able to manage employees who have superior performance, it is necessary to apply talent management so that organizational goals can be achieved (Sopiah et al., 2020), (Lewis, R.E. and Heckman, 2006). Research by Almaaitah and Alsafadi (2020) show that talent management has a positive effect on organizational performance. Unfortunately, the research that discusses the implementation of talent management is still lacking (Bos, P., Thunnissen, M. and Pardoen, 2019).

In addition, based on the analysis using the Publish or Perish 7 and Vosviewer software on studies in the Google Scholar database, it is found that the talent management process is very often linked with several words. One of these words is university. This relationship indicates that the talent management process is very often associated with universities by researchers. The lines connecting the words in Figure 1 show the most in-demand themes of researchers.
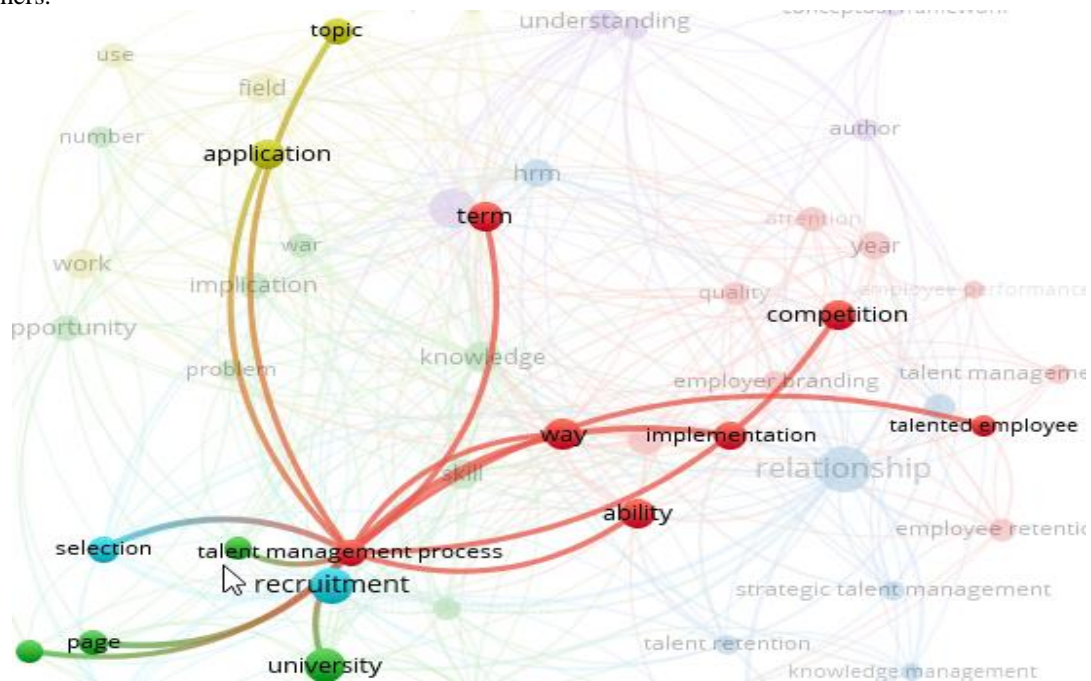

Figure 1. Research themes that are of most interest to researchers

Bradley (2016) indicates that there is a dissonance between the application of talent management and university strategy that disrupts organizational performance. The obstacles that affect the implementation of talent management in universities are poor funding, loss of the best people, and poor communication (Omotunde & Alegbeleye, 2021). To improve higher education performance, research on the influence of leadership on the application of talent management in universities is also needed. This is important because leadership influences the organization towards achieving predetermined goals (Smilansky, 2008)(Al Khajeh, 2018)(Nandasinghe, 2020). Onyango W.P. (2015) and Bula and Kireru (2014) state that there is a positive and significant relationship between leadership style and talent management. In previous studies, many have studied and proven the influence of leadership on the application of talent management in corporate organizations (Bingab B.B.B., 2019) (Hammadi & Noor, 2020) (Sariwulan et al., 2021). In this study, we will find out whether this influence is also suitable for higher education organizations. This study was conducted because very few discussed the influence of leadership on the application of university talent

management. Based on the above background, it is important to conduct a study entitled 'The Effect of Leadership on Talent Management Process in Universities in Indonesia'.

2. Literature Review

Since Chambers' war of talent was initiated, E.G et.al. (1998) talent management has become a hot topic for leading organizations. Talent management enables companies to prepare those with unique skills and high strategic value to occupy strategic positions in the company (Tusang & Tajuddin, 2015). Talent management manages talented human resources to help organizations achieve their best performance (Muhyi, et al., 2016). The scope of work of talent management starts from the recruitment process, employee placement, performance appraisal, training and career development, until employees leave the company (Lewis, 2006). It is not impossible that a number of good leaders for the organization in the future will be produced through talent management (Sheokand & Anju, 2014).

Leadership is very important for the effectiveness of an organization (Kolzow, 2014). Al Khajeh E.H. (2018) in their research shows that democratic, transformational, bureaucratic and autocratic leadership has a positive impact on organizational performance, but does not have an impact on charismatic and transactional leadership. Sadeli J. (2012) states that leadership behaviors significantly influence talent management practices, organizational culture and perceived organizational support. Sadeli's research (2012) proves that there is a significant influence of leadership on the application of talent management and also organizational culture on both transformational leadership and transactional leadership that interacts with transformations.

Based on previous theoretical studies, the research hypothesis can be made:

H1. Leadership has a positive influence on the application of talent management in universities.

3. Methods

The approach of this study is quantitative. The respondents were 108 talented education personnel from 12 universities in West-Java, Indonesia. The sampling method was used to collect data using surveys and questionnaires. To analyze the relationship between variables and the relationship between indicators and variables, the Partial Least Square Structural Equation Modeling (PLS SEM) method is used. Smart PLS 3 software was used to process and analyze the collected data. The latent variables in this test are:

a. Leadership (L) as an exogenous variable

To find out how to apply leadership, a survey was conducted on its dimensions, such as influence, inspirational motivation, trust, wisdom, intellectual stimulation, coaching, appreciation, and help. All indicators for each dimension of leadership are shown in Table 1. Each dimension is indicated by one or more indicators. The dimension of influence is indicated by the indicators: leaders can be role models for their subordinates (L1) and the subordinates respect their leaders (L2). The dimension of trust is indicated by the indicators: there is trust in the leaders of their subordinates (L3) and there is communication with subordinates (L4). The dimension of inspirational motivation is indicated by the indicators: leaders can motivate their subordinates (L5) and leaders awaken the confidence of their subordinates (L6). The dimension of coaching is indicated by an indicator: leaders develop the potential of their subordinates (L7). The dimension of wisdom is indicated by the indicators: leaders give the right assignment (L8) and leaders understand the needs of their subordinates (L9). The dimension of appreciation is indicated by the indicator: leaders are friendly and respect their subordinates (L10). The dimension of intellectual stimulation is indicated by the indicators: leaders provide the stimulus to think if there is a problem (L11). The dimension of help is indicated by the indicators: leaders help solve the problem (L12) and leaders encourage their subordinates to be innovative and creative (L13).

b. Talent management (TM) as an endogenous variable

To find out how to apply talent management, a survey was conducted on its dimensions and all indicators for each dimension. The dimension of talent acquisition is indicated by the indicators with their symbols: recruitment of talented employees (TM1) and competitive tests (TM2). The dimension of identification is indicated by indicators: identify the talent pool (TM3) and management is responsible for the talent pool (TM4). The dimension of talent development is indicated by an indicator: opportunities for training and development (TM5). The dimension of the spread of talent is indicated by an indicator: the distribution of talented employees (TM6). The dimension of retention is indicated by an indicator: efforts to keep talented employees (TM7). The dimension of compensation is indicated by an indicator: compensation management (TM8). A career management indicator indicates the dimension of career planning (TM9).

The instrument, in the form of a questionnaire, was tested for validity and reliability before use. This is to see whether the indicators questioned for each variable have validity and reliability that can be accounted for

scientifically. Answers to the questions on the questionnaire sheet are grouped on a Likert 5 scale. The proposed conceptual framework can be seen in Figure 2.
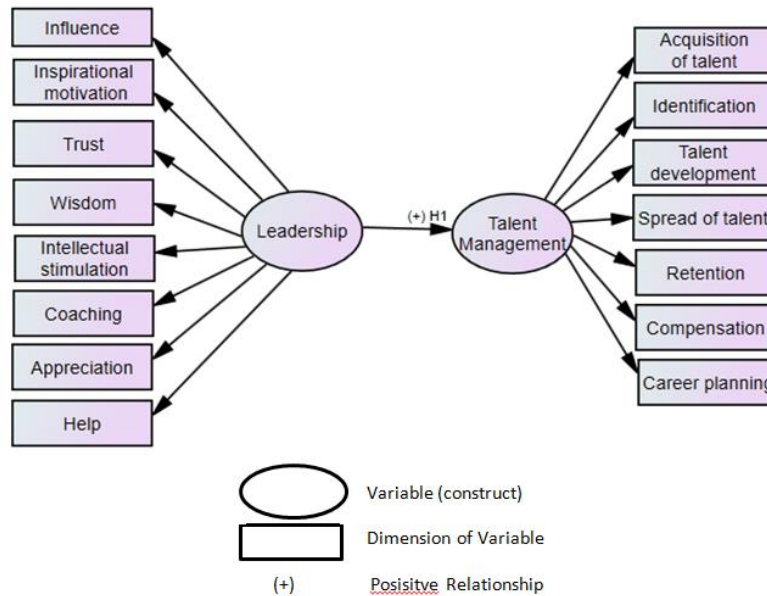

Figure 2. The proposed conceptual framework

4. Data Collection

The demographics of the questionnaire fillers such as tenure as employees where their work can be seen in Table 1. and the last level of education in Table 2.

Table 1. The period of work as a higher education employee

Period of work	Number of respondents
1 to 5 Years	42.6%
6 to 10 Years	33%
11 to 15 Years	8.5%
15 to 20 Years	9.6%
>20 Years	6.3%

Table 1. shows that the majority of respondents have worked between 1 and 5 years. Then followed by those who have worked 6-10 years.

Table 2. Last education level

Last education level	Number of respondents
High school	30%
Bachelor	39.1%
Master	20.9%
PHD	2.6%

Table 2. shows that the most education level of the respondents is a bachelor degree.

5. Results and Discussion

The survey results were then processed with Smart-PLS software and the following results were obtained:

5.1 Measurement Model (Validity and Reliability Test)

The results of validity testing for constructs both exogenous and endogenous variables can be seen in Figure 3. The results of validity testing show that all indicators used for leadership and also for talent management are valid because the loading factor above 0.5 Ghozali (2014).
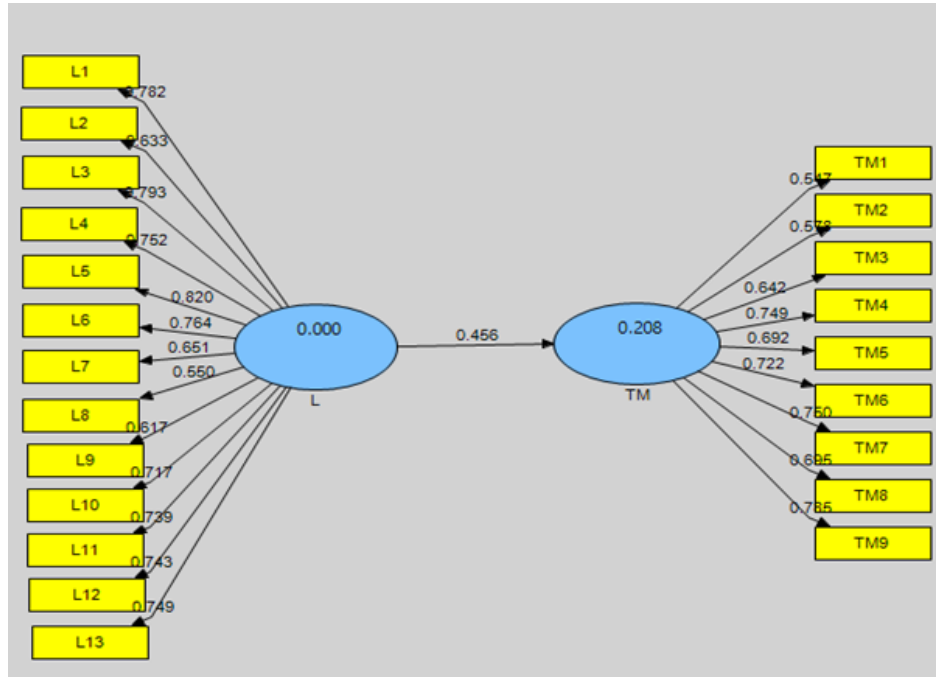

Figure 3. PLS Algoritma Result

For reliability testing, it is also necessary to test discriminant validity. The value of the cross loading of the intended construct is compared with the loading values of other constructs. From the test results, it can be seen that all indicators of each variable have higher values compared to the indicator correlation value to other constructs so that all indicators can be used for research.

Evaluation of the value of construct reliability can also be seen from the results of the analysis of composite reliability (CR) and Cronbach's Alpha. The reliability test shows that CR for leadership is 0.932671 and CR for talent management is 0.889095. The results of this CR show the value for all constructs greater than 0.7, so it can be said that all indicators are consistent in measuring their constructs (Ghozali, 2014).

5.2 Structural Model

The test results show the R-square has the value of 0.21. It can be said that the appropriateness of the independent variable in explaining the dependent variable is rather weak. According to Ghozali (2014), R square is said to be strong if its value is 0.67, it is said to be moderate if its value is 0.33 and it is said to be weak if its value is 0.19.

Based on testing with PLS SEM, it can be seen that the strength of the relationship between latent constructs is in accordance with what has been hypothesized in the study. Leadership has a positive influence on Talent Management of 0.456. The hypothesis H1 is accepted because the T statistical value is 6.21, which means that it is greater than T-table 2.01. Therefore it can be said, the leadership has a significant effect on talent management.

6. Conclusion

Based on the research results, the hypothesis H1 is proven that leadership is able to explain a significant effect on talent management in higher education. This result is in accordance with the research of Bingab (2019), Onyango W.P. (2015) and Bula and Kireru (2014).

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Biographies

Dyah Purwaningsih is a lecture in Major of Management of Sekolah Tinggi Ilmu Ekonomi GICI, Indonesia. She holds a Master Degree in Management (MM) from Faculty of Economics, STIE IPWIJA, in 2012. At present, she still doctoral study at Postgraduate Faculty of Universitas Pendidikan Indonesia. Her study area is human resources management. She often become a consultant for government and private institutions in Indonesia on human resources building.

Mohammad Kurniadi Rasyid is a lecture in Major of Management of Institut Teknologi Indonesia, Tangerang, Indonesia. He holds a Master Degree in Management (MM) from Faculty of Economics, STIE IPWIJA, in 2012. At present, he still doctoral study at Postgraduate Faculty of Universitas Pendidikan Indonesia. His study area is strategic management. He often become a consultant for government and private institutions in Indonesia. on human resources building.