

ANALYSIS OF KNOWLEDGE MANAGEMENT, TALENT MANAGEMENT, EMPLOYEE RECOGNITION ON EMPLOYEE PERFORMANCE MEDIATED BY EMPLOYEE ENGAGEMENT

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ARTICLE INFO	ABSTRACT
<p>Keywords: knowledge management, talent management, employee recognition, employee performance, employee engagement</p>	<p>This study aims to determine the analysis of knowledge management, talent management, employee recognition, on employee performance which is mediated by employee engagement. The respondents in this study were the employees who worked in a manufacturing company located in Batam. The sampling technique used was purposive sampling technique with 190 respondents. Smart PLS 3.0 is used to process questionnaire data in data analysis. The results of this study indicate that knowledge management, talent management have a significant effect on employee engagement and employee performance, while employee recognition has no significant effect on employee performance.</p>
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1. INTRODUCTION

Talent management is needed in organizations because the talents possessed by organizations can help companies achieve individual success. According to (Hakro et al., 2022) the measurement of talent management has four dimensions that need attention, namely first, starting with talent attraction where candidates who meet the requirements, relevant qualifications, experience are drawn to work according to their expertise (Jhatial et al. 2012), second, focus on talent development because they don't know how to do the job according to management expectations. Therefore, various trainings are offered to new and existing employees based on their roles and responsibilities in certain functions of the organization (Theodorsson et al., 2022). Training is offered to employees based on needs analysis through the head of the function concerned (Mahesar, 2015), third, employees remain fully adapted to their jobs with the aim of improving employee performance and setting directions to achieve the desired career level in the professional field (Theodorsson et al, 2022). Career management does not allow employees to change frequently, jobs and organizations but instead forces them to stick to one job and enrich their experience and professional skills and abilities (Hakro et al., 2021). Finally the fourth, talent retention phase, retaining talented employees remains a dream for officials and managers in most organizations (Gilal et al., 2022). Talented employees easily move from one job to another inside and outside the organization (Tunio et al., 2021).

Knowledge management describes how companies use it to create competitive advantage (Kianto et al., 2016). Knowledge management enables the formulation, implementation and evaluation of strategies that ensure the right flow of knowledge to employees (Shujahat et al., 2019). According to Masri and Suliman (2019), knowledge management has two components, namely critical success factors and relevant processes. The focus of the current study is on knowledge management processes.

Employee recognition can be saw as a form of positive feedback that reinforces an employee's behavior or emphasizes the achievement of a certain goal or task. It also increases employee satisfaction, motivation and morale. In addition, recognition and rewards can have a positive impact on the success of the organization, as they increase employee performance. In measuring talent management variables, indicators are adopted from Philip and Roper (2009) which describe talent management practices as attractiveness, selection, development, involvement, and retention. Attractiveness means the organization must have creative recruitment strategies such as open house events, referral programs, internships, online applications. Then the next indicator, namely engagement, forces companies to have a relationship between the type of generation and the method of how to increase employee engagement. Companies should consider developing engagement methods based on existing generations in the company, companies should have an integrated set of programs designed to ensure that all employees

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have relevant competencies, which are used to carry out their work and support organizational goals, which include on the job training and outside the job training. In addition, retention must also relate to the organization's performance management system and must relate to different generations' perceptions of feedback and employee retention drivers.

2. METHOD

This study was conducted with the aim of exploring its importance of the effect of knowledge management, talent management and employee recognition on employee performance mediated by employee engagement/ The population in this research are the employees who are working in manufacturing companies in Batam. The sample taken from the research conducted is purposive sampling which is research used to collect data, this research also makes special characteristics of the sample. In this research, the criteria used are significant individual who are working in manufacturing companies. According to Hair et al (2017) the minimum number of samples are 5 times of the indicator and therefore needed 190 samples for analysis. Data processing of the questionnaires that have been received is carried out using Smart PLS 3.0

3. RESULT AND DISCUSSION

Outer Loading

The validity of a question can be saw from the outer loading value test, if the data has an outer loading value > 0.6 then the research questionnaire questions are valid (Hair et al., 2017). The following data is from the outer loading data test results.

Table 1 Outer Loading test results

Variable	Outer Loading	Remark
EE1	0,605	Valid
EE2	0,800	Valid
EE3	0,754	Valid
EE4	0,664	Valid
EE5	0,68	Valid
EE6	0,738	Valid
EP1	0,714	Valid
EP2	0,686	Valid
EP3	0,709	Valid
EP4	0,694	Valid
EP5	0,647	Valid
EP6	0,704	Valid
EP7	0,754	Valid
EP8	0,741	Valid
EP9	0,678	Valid
ER1	0,646	Valid
ER2	0,728	Valid
ER3	0,719	Valid
ER4	0,804	Valid
KM1	0,613	Valid
KM2	0,724	Valid
KM3	0,663	Valid
KM4	0,635	Valid
KM5	0,726	Valid
KM6	0,609	Valid
KM7	0,746	Valid
TM1	0,716	Valid
TM2	0,749	Valid
TM3	0,655	Valid
TM4	0,652	Valid
TM5	0,643	Valid

Average variance existence (AVE) with the condition that the AVE value must be > 0.5 so that it can be declared valid (Sarstedt, Ringle & Hair, 2017). The following are the results of the AVE data test.

Table 2 AVE Test Results

Variable	Average Variance Extracted (AVE)	Remark
EE	0.504	Valid
ER	0.528	Valid
EP	0.515	Valid
KM	0.507	Valid
TM	0.534	Valid

Reliability Test Results

The reliability test was tested aiming to find out how consistent the respondents were in answering the questions given. Reliability test results will be recognized when they meet the criteria, namely by obtaining a value above 0.6. Table 3 has presented the results of the reliability test that each variable has met the criteria, namely it has obtained a value above 0.6.

Table 3 AVE Test Results

Variable	Cronbach's Alpha	Composite Reliability	Remark
EE	0.856	0.858	Reliable
EP	0.898	0.898	Reliable
ER	0.815	0.816	Reliable
KM	0.853	0.854	Reliable
TM	0.814	0.814	Reliable

Inner Model (Structural Model Evaluation)

Direct Effect

The direct effect test is carried out with Path coefficients which function to tell the influence between variables. The relationship between variables will be declared significant if the P values are <0.05. This test was carried out using 3 independent variables, 1 mediating variable and 1 dependent variable.

Table 4 Direct Effect Test Results

Variable	Original Sample (O)	P Values	Remark
ER -> EP	0,068	0.474	Not significant
KM -> EE	0,643	0.000	Significant
KM-> EP	0,21	0.022	Significant
TM-> EE	0.288	0.000	Significant
TM -> EP	0.347	0.001	Significant

Hypothesis 1

The results in table 4 employee recognition have no significant effect on employee performance, with the P-Values obtained being 0.474. There is a negative relationship between employee recognition and employee performance, this occurs due to the company's lack of encouraging employee recognition programs among employees to increase employee motivation, in the sense of a lack of employee motivation Masri at work so that leadership style is stated to be significantly negative. This research is in accordance with the results of research by Hussain (2019) and Masri (2019).

Hypothesis 2

In table 4, the P-Value is 0.000. With the numbers presented, it can be concluded that knowledge management has a significant positive effect on employee engagement. Knowledge management that exists within an organization will have a positive impact on employee involvement towards change. In addition, for employees who already feel involved in an organization, their performance will certainly be motivated at work. The results of this study are similar to the research conducted by Douglas & Sutton (2019) & Kalde (2021).

Hypothesis 3

The test results in table 4 describe the P-Value of 0.022 which meets the criteria, so it can be concluded that knowledge management has a significant effect on employee performance. Good or bad knowledge management will certainly have an impact on employee performance in carrying out their work properly. This research is in accordance with the results of research by Alyoubi (2018) & Wahyu (2021).

Hypothesis 4

In table 4, the P-Value is 0.000. It can be concluded that talent management has a significant effect on employee engagement. This shows that in a company it is considered effective in managing talent management. In order for a company to gain a competitive advantage in the market, employees need to be involved in the workplace so an effective talent management system is needed because it can increase employee engagement. This research is in accordance with the results of research by Mohammed (2021) & Riyanto (2021).

Hypothesis 5

Table 4 shows that talent management has a significant effect on employee performance with a P-Value of 0.001. Talent management can directly improve employee performance where employees receive training and skill development, so with the great influence of talent management in the company, employee performance in the company will also increase. This research is in accordance with the results of Tarigan (2018).

Indirect Effects

Table 5 Indirect Effect Test Results

Variable	Sample Mean (M)	P Values	Remark
KM -> EE -> EP	0.229	0.000	Significant
TM -> EE -> EP	0.109	0.001	Significant

Hypothesis 6:

The indirect effect test presented in table 5 shows that knowledge management has a significant effect on employee performance with employee engagement as a mediating variable, this is supported by the Sample Mean (M) value of 0.229 and the P-Value of 0.000. There is a positive relationship between knowledge management and employee engagement which ultimately causes knowledge management to have a positive effect on employee performance with the mediating variable, namely employee engagement. This research is in accordance with the results of research conducted by Sumarto (2021) and Rofifah (2020).

Hypothesis 7:

The indirect effect test presented in Table 5 shows that talent management has a significant effect on employee performance with employee engagement as a mediating variable. This is supported by the Sample Mean (M) value of 0.109 and the P-Value of 0.010. There is a positive relationship between talent management and employee engagement which ultimately also causes employee performance to have a positive effect on innovation with a mediating variable, namely employee engagement. This research is in accordance with the results of research conducted by Prasetya (2016) and Wahyuni (2019).

4. CONCLUSION

Based on the results of the research conducted, several points can be concluded as follows: employee recognition has no significant effect on employee performance, knowledge management has a significant effect on employee engagement, knowledge management has a significant effect on employee performance, talent management has a significant effect on employee engagement, talent management has a significant effect on employee performance, knowledge management has a significant effect on employee performance, talent management has a significant effect on employee performance with employee engagement as a mediating variable. Recommendations to future researchers. First, it is hoped that future research can expand the reach of the research sample and secondly, it is hoped that future research will add variables that affect employee performance.

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