

***THE INFLUENCE OF TALENT MANAGEMENT AND KNOWLEDGE
MANAGEMENT ON EMPLOYEE PERFORMANCE WITH EMPLOYEE
ENGAGEMENT AS AN INTERVENING VARIABLE AT THE MALUKU
PROVINCIAL TRANSPORTATION DEPARTMENT***

**PENGARUH MANAJEMEN TALENTA DAN MANAJEMEN PENGETAHUAN
TERHADAP KINERJA KARYAWAN DENGAN EMPLOYEE ENGAGEMENT
SEBAGAI VARIABEL INTERVENING PADA DINAS PERHUBUNGAN
PROVINSI MALUKU**

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ABSTRACT

This study examines the impact of Talent Management (TM) and Knowledge Management (KM) on Employee Performance (EP), with Employee Engagement (EE) as a mediating variable, within the context of the Maluku Provincial Transportation Department. Using Structural Equation Modeling (SEM) with the Partial Least Squares (PLS) method, this research analyzes both direct and indirect relationships among these variables. The findings indicate that TM has a positive and significant effect on EP, demonstrating that strategic talent acquisition, competency development, and career planning enhance employee productivity. Conversely, KM does not directly influence EP, suggesting that knowledge-sharing mechanisms alone are insufficient to improve performance outcomes. However, mediation analysis reveals that EE plays a crucial role in strengthening both TM-EP and KM-EP relationships, highlighting the necessity of engagement-driven frameworks to maximize talent and knowledge utilization. Furthermore, EE exhibits a strong positive effect on EP, reinforcing the importance of fostering workplace motivation, participation, and job satisfaction. These results provide valuable insights for public sector HR management, emphasizing the need for policy reforms that integrate talent retention, structured learning initiatives, and engagement-driven leadership strategies. Given the increasing demands for efficiency and workforce optimization in government institutions, adopting TM, KM, and EE-based HR models will be instrumental in enhancing employee performance and ensuring long-term institutional success.

Keywords: Talent Management, Knowledge Management, Employee Engagement, Employee Performance, Public Sector

ABSTRAK

Penelitian ini menguji dampak Talent Management (TM) dan Knowledge Management (KM) terhadap Employee Performance (EP), dengan Employee Engagement (EE) sebagai variabel mediasi, dalam konteks Dinas Perhubungan Provinsi Maluku. Dengan menggunakan Structural Equation Modeling (SEM) dengan metode Partial Least Squares (PLS), penelitian ini menganalisis hubungan langsung dan tidak langsung di antara variabel-variabel tersebut. Temuan menunjukkan bahwa TM berpengaruh positif dan signifikan terhadap EP, menunjukkan bahwa akuisisi talenta strategis, pengembangan kompetensi, dan perencanaan karir meningkatkan produktivitas karyawan. Sebaliknya, KM tidak secara langsung mempengaruhi EP, menunjukkan bahwa mekanisme berbagi pengetahuan saja tidak cukup untuk meningkatkan hasil kinerja. Namun, analisis mediasi mengungkapkan bahwa EE memainkan peran penting dalam memperkuat hubungan TM-EP dan KM-EP, menyoroti perlunya kerangka kerja yang digerakkan oleh keterlibatan untuk memaksimalkan pemanfaatan bakat dan pengetahuan. Selain itu, EE menunjukkan efek positif yang kuat terhadap EP, yang memperkuat pentingnya menumbuhkan motivasi, partisipasi, dan kepuasan kerja di tempat kerja. Hasil ini memberikan wawasan yang berharga bagi manajemen SDM sektor publik, yang menekankan perlunya reformasi kebijakan yang mengintegrasikan retensi talenta, inisiatif pembelajaran terstruktur, dan strategi kepemimpinan yang digerakkan oleh keterlibatan. Dengan meningkatnya tuntutan untuk efisiensi dan optimalisasi tenaga kerja di lembaga pemerintah, mengadopsi model SDM berbasis TM, KM, dan EE akan sangat penting dalam meningkatkan kinerja karyawan dan memastikan keberhasilan kelembagaan jangka panjang.

Kata kunci: Manajemen Bakat, Manajemen Pengetahuan, Keterlibatan Karyawan, Kinerja Karyawan, Sektor Publik

INTRODUCTION

Human resource management (HRM) plays a pivotal role in achieving organizational success, particularly in the era of globalization where workforce competitiveness is crucial (Armstrong & Taylor, 2020). Employee performance is a key determinant of organizational efficiency, and its enhancement has become a central concern for management scholars and practitioners (Boxall & Purcell, 2016). The strategic management of employees requires the integration of Talent Management (TM) and Knowledge Management (KM) to optimize workforce potential and ensure sustainable competitive advantage (Collings et al., 2019). TM emphasizes attracting, developing, and retaining employees with high potential, whereas KM focuses on acquiring, sharing, and utilizing knowledge to improve organizational capabilities (Hislop et al., 2018). The synergy between these management approaches is particularly relevant in public service institutions, where human capital plays a critical role in service delivery (Al Ahbabi et al., 2019).

Recent studies suggest that TM positively influences employee performance by fostering skill development, leadership readiness, and job satisfaction (Gallardo-Gallardo et al., 2020). Employees with access to career development programs tend to exhibit higher levels of motivation and commitment, leading to increased efficiency and effectiveness in the workplace (McDonnell et al., 2017). Similarly, KM has been linked to improved employee performance through enhanced decision-making, innovation, and adaptability to organizational changes (Donate & Sánchez de Pablo, 2015). However, the extent to which KM contributes to performance outcomes remains

contested, as its effectiveness is often mediated by organizational culture, technology adoption, and leadership support (Andreeva & Kianto, 2016).

Employee engagement (EE) has emerged as a significant mediating variable in the relationship between TM, KM, and employee performance (Saks, 2019). Engagement reflects the psychological state in which employees invest themselves fully in their work, exhibiting enthusiasm, dedication, and proactive behavior (Schaufeli & Bakker, 2004). Scholars argue that TM fosters engagement by aligning individual career aspirations with organizational goals, thereby enhancing job satisfaction and reducing turnover intentions (Albrecht et al., 2015). Similarly, effective KM practices promote a culture of learning and collaboration, which strengthens employee commitment and sense of belonging (Serenko, 2022). The interplay between TM, KM, and EE is thus crucial in shaping workforce productivity and organizational success (Gupta & Sharma, 2021).

Despite extensive research on TM and KM, their impact on employee performance in public sector organizations remains underexplored, particularly in developing regions where resource constraints and bureaucratic inefficiencies pose significant challenges (Kim & Beehr, 2020). Public institutions, such as the Maluku Provincial Transportation Department, operate in complex environments characterized by high workloads, limited financial resources, and evolving policy demands. The need for effective HRM strategies is paramount, as inadequate talent retention and insufficient knowledge-sharing mechanisms can undermine service quality and operational efficiency (Wright et al., 2022). Addressing these challenges requires a systematic investigation of how TM and KM

contribute to employee performance, with EE as a potential mediator in this relationship (Imran et al., 2021).

This study aims to examine the influence of TM and KM on employee performance, with EE as an intervening variable, within the context of the Maluku Provincial Transportation Department. By employing Structural Equation Modeling (SEM) using Partial Least Squares (PLS), this research seeks to provide empirical insights into the direct and indirect effects of TM and KM on employee outcomes. The findings are expected to contribute to the theoretical discourse on HRM by elucidating the mechanisms through which TM and KM drive performance improvements in public service settings (Hair et al., 2021). Additionally, the study offers practical implications for policymakers and HR professionals seeking to enhance workforce productivity through evidence-based talent and knowledge management strategies (Osman-Gani & Tan, 2020).

RESEARCH METHODS

The research employs a quantitative approach using Structural Equation Modeling (SEM) with the Partial Least Squares (PLS) method to analyze the relationship between Talent Management (TM), Knowledge Management (KM), Employee Engagement (EE), and Employee Performance (EP) at the Maluku Provincial Transportation Department. This methodological approach is particularly suitable for examining complex relationships among latent variables, as SEM-PLS does not require stringent assumptions regarding data distribution and sample size (Hair et al., 2021). The study adopts a purposive sampling technique, selecting 59 employees from various functional units within the organization. Data collection

is conducted through structured questionnaires distributed to respondents, supplemented by interviews to gain deeper insights into employee perceptions of TM, KM, and EE. The questionnaire design follows established scales validated in prior HRM research, ensuring construct validity and reliability (Collings et al., 2019). Independent variables include TM and KM, while EE serves as the mediating variable influencing EP. The study integrates descriptive statistics, reliability testing, and path analysis, utilizing SmartPLS 3 software to assess the direct and indirect effects among variables.

The measurement model evaluates convergent validity, discriminant validity, and composite reliability, ensuring that latent constructs adequately reflect the theoretical framework (Hair et al., 2021). The structural model examines hypotheses regarding the influence of TM and KM on EP, with EE as an intervening variable. Path coefficients and bootstrapping procedures determine the significance of relationships, following guidelines for hypothesis testing in SEM-PLS (Saks, 2019). Given the public sector setting, contextual factors such as workload intensity, resource constraints, and bureaucratic challenges are considered in interpreting findings (Kim & Beehr, 2020). The study contributes to HRM literature by offering empirical evidence on how TM and KM strategies shape EE and ultimately enhance EP in government institutions. Moreover, the findings provide actionable insights for policymakers seeking to strengthen workforce capabilities through talent development and knowledge-sharing initiatives.

RESULTS AND DISCUSSIONS

The results of this study provide empirical insights into the relationship between Talent Management (TM), Knowledge Management (KM), Employee Engagement (EE), and Employee Performance (EP) within the Maluku Provincial Transportation Department. Using Structural Equation Modeling with the Partial Least Squares (SEM-PLS) approach, this research identifies both direct and indirect effects of TM and KM on EP, with EE acting as an intervening variable. The descriptive statistics reveal the demographic composition of respondents, highlighting variations in tenure, educational background, and job roles within the department. The sample consists of 59 employees, ensuring sufficient representation of various operational and administrative divisions. Preliminary analysis confirms that the measurement model meets the required convergent validity, discriminant validity, and reliability thresholds, indicating that the constructs are robust and reflective of theoretical expectations (Hair et al., 2021). The structural model analysis further provides evidence on the strength and directionality of hypothesized relationships, contributing to the broader discourse on HRM practices in the public sector.

The findings indicate that TM positively and significantly influences EP, reinforcing previous studies suggesting that organizations with well-structured talent acquisition, training programs, and career development initiatives experience improved workforce productivity (Collings et al., 2019). Employees who perceive fair and transparent promotion opportunities tend to exhibit higher motivation and performance levels. The statistical analysis shows a significant path coefficient ($\beta = 0.312$, $p < 0.05$) between TM and EP, supporting the argument

that a structured approach to talent retention and succession planning enhances employee contributions. Moreover, the results indicate that TM is significantly associated with EE ($\beta = 0.452$, $p < 0.01$), aligning with research that highlights the role of career development and recognition programs in fostering workplace engagement (Saks, 2019). Employees who receive continuous learning opportunities and performance-based rewards demonstrate greater commitment and willingness to invest discretionary effort in their work, leading to sustained organizational effectiveness.

Table 1. Descriptive Statistics

Variable	Mean	Standard Deviation
Talent Management	4.21	0.78
Knowledge Management	3.89	0.82
Employee Engagement	4.35	0.71
Employee Performance	4.12	0.76

While TM exhibits a clear positive effect on EP, the influence of KM on EP appears insignificant ($\beta = 0.143$, $p > 0.05$), suggesting that knowledge-sharing mechanisms alone do not necessarily translate into enhanced employee outcomes. This finding aligns with research indicating that KM effectiveness depends on the accessibility, usability, and integration of knowledge into daily operations (Andreeva & Kianto, 2016). The results suggest that employees may lack sufficient training in digital tools for managing institutional knowledge, or that bureaucratic barriers hinder the efficient application of KM practices in the public sector. However, KM significantly contributes to EE ($\beta = 0.385$, $p < 0.01$), supporting arguments that organizations with strong knowledge-sharing cultures promote collaborative work environments and psychological ownership among employees (Serenko, 2022). Employees who engage in

structured mentoring, peer learning, and institutional knowledge repositories tend to develop a deeper connection with organizational goals, thereby enhancing engagement.

The mediating role of EE is further validated through indirect effects analysis, demonstrating that TM and KM indirectly influence EP via EE. The bootstrapping results confirm that the indirect effect of TM on EP through EE is statistically significant ($\beta = 0.187$, $p < 0.01$), suggesting that employee commitment serves as a crucial mechanism linking talent strategies to performance outcomes. Similarly, the indirect effect of KM on EP through EE is also significant ($\beta = 0.152$, $p < 0.01$), reinforcing previous findings that engaged employees are more likely to apply acquired knowledge effectively, thus improving organizational performance (Gupta & Sharma, 2021). These results underscore the importance of EE as a mediating construct, highlighting the need for HRM policies that not only focus on talent acquisition and knowledge curation but also emphasize workplace engagement strategies.

Table 3. Hypothesis Testing

Hypothesis	Path Coefficient	p-value	Result
TM → EP	0.312	< 0.05	Supported
KM → EP	0.143	> 0.05	Not Supported
TM → EE	0.452	< 0.01	Supported
KM → EE	0.385	< 0.01	Supported
EE → EP	0.498	< 0.01	Supported
TM → EE → EP	0.187	< 0.01	Supported
KM → EE → EP	0.152	< 0.01	Supported

These findings hold critical implications for HRM practices in public institutions, particularly in developing regions where workforce retention and service quality remain pressing concerns. Given the insignificant direct effect of KM on EP, public sector organizations must reassess their knowledge-sharing infrastructure to ensure that employees not only access information but also receive practical training on knowledge

application. Integrating digital knowledge management systems with performance monitoring frameworks may bridge this gap, facilitating a more effective translation of knowledge into operational efficiency (Wright et al., 2022). Moreover, given the strong relationship between EE and EP, policymakers should prioritize engagement-driven HRM policies such as structured feedback mechanisms, participatory decision-making models, and well-defined career pathways to sustain workforce motivation.

The study's practical contributions extend to managerial applications, where HR leaders in public sector institutions can utilize these insights to refine talent acquisition and workforce development strategies. For instance, the significant impact of TM on both EE and EP suggests that investing in leadership development, competency-based training, and succession planning could yield substantial performance benefits (Osman-Gani & Tan, 2020). Additionally, fostering a collaborative knowledge-sharing environment by reducing bureaucratic silos and incentivizing peer-learning initiatives may amplify KM's contribution to EP through EE.

Despite these contributions, the study acknowledges certain limitations, including the relatively small sample size ($n = 59$), which may limit generalizability. Future research should consider expanding the sample to include multiple public sector institutions, allowing for comparative analysis across different governmental agencies. Additionally, qualitative approaches such as focus group discussions and ethnographic observations could enrich understanding of the contextual challenges influencing KM effectiveness in public administration settings. Lastly,

longitudinal studies assessing how changes in TM and KM policies impact EE and EP over time would provide deeper insights into causal relationships and policy effectiveness.

CONCLUSION AND SUGGESTION

The findings of this study provide empirical evidence on the intricate relationship between Talent Management (TM), Knowledge Management (KM), Employee Engagement (EE), and Employee Performance (EP) within the Maluku Provincial Transportation Department, highlighting the pivotal role of EE as a mediating factor. The results confirm that TM has a direct and significant positive impact on EP, reinforcing the importance of structured recruitment, career development, and talent retention programs in enhancing workforce productivity. Conversely, KM does not exhibit a direct influence on EP, suggesting that knowledge-sharing mechanisms alone are insufficient unless they are effectively integrated into daily operational processes. However, KM significantly contributes to EE, emphasizing that a collaborative learning culture strengthens employee commitment and work engagement. The mediating role of EE is strongly validated, as both TM and KM indirectly enhance EP through increased employee involvement and motivation. These findings underscore the need for HRM strategies in public sector institutions to focus not only on talent acquisition and knowledge dissemination but also on fostering engagement-driven work environments. From a managerial perspective, enhancing employee participation, providing structured feedback, and offering continuous learning opportunities are essential to sustaining long-term performance improvements. Given the limitations of

this study, future research should explore longitudinal assessments across multiple public institutions to better understand the evolving dynamics of TM, KM, and EE in shaping workforce efficiency. Ultimately, this study reinforces that effective HRM practices must integrate talent development, knowledge utilization, and employee engagement to achieve sustainable organizational performance in the public sector.

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