

The Influence of Talent Management and Integrity Zones on Organizational Performance at the BPKP Representative Office of Riau Islands Province

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ABSTRACT

The aims of studi are to examine the effect of talent management and zone of integrity on organizational performance. This research was conducted at BPKP of the Riau Islands Province. The research population is all employees of the BPKP Representative Office of the Riau Islands Province. The research sample was 40 employees with the sampling technique was simple random sampling. The test results show that there is a positive and significant influence of talent management on organizational performance of 6.838 and a significant value of 0.000. The positive and significant influence of the integrity zone on organizational performance is 1,536 and a significant value is 0.000. The simultaneous influence of talent management and integrity zone is positive and significant on organizational performance of 23,376 and a significant value of 0.000.

Keywords: Talent Management, Integrity Zone, Organizational Performance, Corruption Free Area, Government Governance.

INTRODUCTION

Organizational performance becomes a problem that must be managed by the organization to achieve goals. Performance is an achievement obtained from work activities that are supported by human resources. Organizations that have employees with abilities and skills relevant to the job so as to produce performance achievements. Organizational performance can be achieved when every employee is able to demonstrate work performance in accordance with the standards applicable to the organization. The focus of this research is to examine the performance of government organizations in Indonesia that are undergoing a reform process towards performance that is free from corruption practices. This study examines how the achievement of BPKP organizational performance is supported by the application of employee talent management and integrity zones, both individually and organizationally. Employee talent is the main factor in carrying out public service work because talented employees will be able to achieve maximum performance. Integrity zone is a government regulation that all employees of government organizations must comply with in order to carry out their work without engaging in corrupt practices. Integrity zone is the practice of structuring government organizations that prioritize transparency, accountability and professionalism to realize organizational goals through the performance of public services that can meet the needs of the community.

Organizational performance as a concept has undergone various measurement developments and definition. Understanding and definitions of organizational performance in the academic literature and management research is so diverse, that it remains an issue and continues to experience development (Barney, 2011). Concept-related developments include effectiveness, efficiency, economics, quality, behavioral consistency, and normative action. Every year the PANRB Ministry evaluates the implementation of SAKIP for the central and regional levels. The evaluation component includes planning, measurement, reporting, evaluation, and performance achievements. Based on the Regulation of the Minister of PANRB No. 12 of 2015, there are 7 predicates of performance accountability evaluation results, starting from the lowest category D to the highest category AA. The seven predicates are as follows:

Table 1. 7 Predicates Of Performance Accountability Evaluation Results

No	Predicate	Absolute Value	Information
1.	AA	> 90 – 100	Very satisfactory
2.	A	> 80 – 90	Satisfying
3.	BB	> 70 – 80	Very good
4.	B	> 60 – 70	Well
5.	CC	> 50 – 60	Adequate
6.	C	> 30 – 50	Not enough
7.	D	> 0 – 30	Very less

The Financial and Development Supervisory Agency, in 2018 and 2019 received the BB (Very Good) predicate. This value is a combined value between central BPKP (echelon I) and work units (echelon II). Meanwhile, the BPKP Representative for the Riau Islands Province is an echelon II work unit. In 2018, 2019 and 2021 the SAKIP has been evaluated by the BPKP Inspectorate with scores and predicates of 83.78 (Satisfactory), 84.47 (Satisfactory) and 82.52 (Satisfactory).

Talent management is the management of resources starting from procurement and recruitment, deployment and transition, growth and development, performance management, talent review, awards and recognition, engagement and retention of resources. Talent management is a manifestation of the management of resources needed by the organization in achieving organizational success and organizational performance. Talent management plays a role in realizing optimal organizational performance by implementing talent management. Talent management is a process carried out by organizations in ensuring a leader is able to fill strategic positions in the future and positions that support core competencies in the organization (Pella & Afifah, 2011); (Rana, et al, 2013). Conceptualization of talent management strategy includes the process of recruitment, development, succession and competency of employees who occupy important job positions in the organization. Talent management carried out by the organization aims to find talented employees then consider the retention of talented employees, and ensure that talented employees will contribute significantly to organizational performance

Talent management in the public sector plays an important role in supporting a dynamic change-oriented workforce. Talent management is a manifestation of the management of resources needed by the organization in achieving organizational success and organizational performance (Vardarlier and Abdullah, 2012). Talent management carried out at BPKP begins with being limited to talent mapping and BPKP Head Regulation Number 4 of 2017 has been issued regarding talent mapping of auditor functional officials within BPKP. Last updated with BPKP Regulation Number 5 of 2020 concerning Talent Management within the Financial and Development Supervisory Agency and will begin to be implemented in 2021. The basis for implementation is a merit system with the principles of being objective, planned, open, timely, accountable, free from political intervention and free from practices of corruption, collusion and nepotism. Implementation of talent management through the stages of talent needs analysis, talent identification, talent determination, talent development, talent retention, talent evaluation, talent placement and talent monitoring. Talent management, mean the leaders should have gone through the mapping and the results can really affect the organization's performance effectively and efficiently. (Atheer, et, al, 2017).

The Integrity Zone is concerning Guidelines for the Development of an Integrity Zone Towards a Clean Regional Bureaucracy and Corruption-Free Region in Government Agencies. Integrity zones answer the challenges of bureaucratic reform, basically aiming to organize a good, effective and efficient government administration system, so that it can serve the community quickly, accurately, and professionally. Integrity zones answer the challenges of bureaucratic reform, basically aiming to organize a good, effective and efficient government administration system, so that it can serve the community quickly, accurately, and professionally. Integrity in government organizations is a form of service reform to the community as stakeholders to create clean and professional work practices in government agencies. The effectiveness of the Integrity Zone is largely determined by the commitment of the leadership and all levels of government employees (Gani, 2019). The *novelty* that wants to be studied empirically in this study are that to achieve organizational performance it is necessary to have systems and policies for implementing talent management and implementing integrity zones.

LITERATURE REVIEW

Grand theory

The grand theory relevant to this research is corporate governance, which is a set of mechanisms, procedures and processes by which organizations are controlled and operated. New public management is a concept of managing public organizations with a new paradigm, where the management of public organizations is left to public managers who are given the opportunity and must be empowered to be able to manage results. Subsequent developments Jensen and Meckling (1976) were the first to popularize the issue of governance in finance with agency theory. Meanwhile, the governance of public organizations refers to the principles of accountability, transparency, responsiveness, fairness, effectiveness and efficiency, free of corruption, innovation and willingness to change for the better, sustainable development and law enforcement (Beshi and Ranvinderjit, 2020).

One form of implementing new public management is to implement good governance as a system and process of organizational change, formation of public bodies, and increasing cooperation with other public organizations. The governance of public organizations refers to the principles of accountability, transparency, responsiveness, fairness, effectiveness and efficiency, free of corruption, innovation and willingness to change for the better, sustainable development and law enforcement.

Talent management theory

Talent management is the function all activities and responsibilities related to manage individual talent and acquire talent to develop it (Schiemann, 2013). Talent management as described by Günter et al (2012) includes sources (finding talent); screening (sorting of qualified and ineligible applicants); selection (assessment/testing, interview, reference/background check, etc. of applicants); on boarding (offer/acceptance); retention (measures to retain talent that contributes to organizational success); development (training, growth, assignment); full deployment (optimized staff assignments for projects, lateral opportunities, promotions). Organizations need a formal process, with multiple stakeholders involved and a strong relationship between leadership and talent to translate into talent management initiatives into specific organizational value-based behaviors (Minbaeva and Collings, 2013).

Integrity Zone

In the era of public service reform, the integrity zone is an important element that supports the implementation of a government system free from corruption, promoting transparency and professionalism that is upheld by each individual employee. The implementation of the integrity zone in every government organization is aimed at upholding the authority, accountability and professionalism of public services for stakeholders, especially for the community. Integrity is defined as an attitude or culture that shows consistency between words and actions as well as an attitude to reject all disgraceful actions that can harm themselves and their institutions (Cloud, 2007). Public organizations have management that aims to reform public service management as a strategy to improve the efficiency of public services (Lopez, et, al, 2015).

Organizational Performance

Organizational performance is an employee activity and outputs contribute to organizational goals. Lots Contemporary organizations place greater emphasis on their performance management systems as a means of result in higher levels of job performance (Gruman and Saks, 2011). Measurement performance is a process

assessment of the achievement of organizational goals. Organizations that want the survival and effectiveness of the organization will develop the management of their resources and capabilities to increase the value and performance of the organization.

Hypothesis

Talent management is a complex organizational procedure where organizations need the support of talented employees to maximize the ability to achieve organizational performance. Talent management requires employee commitment to retention because from a strategic management perspective, talent management plays an important role in creating sustainable performance. Dessler (2020) explains that organizational performance is an effort to achieve the goals expected by the organization through the work of all employees in each part of the organization based on their main duties and functions and responsibilities. The results of the research of Perdana and Hani (2019); Vardarlier and Abdullah (2012); Tomasz and Wojciech (2016) shows talent management can affect organizational performance.

Integrity zone is a government agency whose leadership and staff are committed to realizing a Corruption Free and Bureaucratic Area especially in terms of realizing clean and accountable government and excellent public services. Research by Fatanah and Ashar (2022) states that the integrity zone has a very important role to improve organizational performance. Gani (2019) says the implementation of the integrity can improve the service performance of public organizations. The implementation of talent management and integrity zones requires employee support to create transparency of national integrity and provide opportunities for the public to participate and monitor corruption-free public service practices. The integration system that applies nationally will become an organizational culture and the achievement of public trust in the BPKP environment.

Based on the explanation, the hypothesis development is:

1. Hypothesis 1: There is a positive and significant influence of talent management on organizational performance partially.
2. Hypothesis 2: There is a positive and significant influence of the integrity zone on organizational performance partially.
3. Hypothesis 3: There is a positive and significant influence of talent management and integrity zone on organizational performance simultaneously.

RESEARCH METHOD

This study uses quantitative data based on the perceptions of respondents who answered a questionnaire. The respondents of this research were all employees of the BPKP Representative Office of the Riau Islands Province. The data source used in the research is the primary data source in the form of a questionnaire which is answered online using the google form media. The population of this study were employees of the BPKP Representative Office of the Riau Islands Province. The sampling technique was determined randomly. The population of the BPKP Representative Office for Riau Islands Province is 81 people. The selected sample was 40 people who submitted and filled out a questionnaire with complete data and answers. The technique used to analyze the data is using SPSS statistical analysis version 22.

RESULTS

Classic assumption test

1. Multicollinearity test conducted in this study:

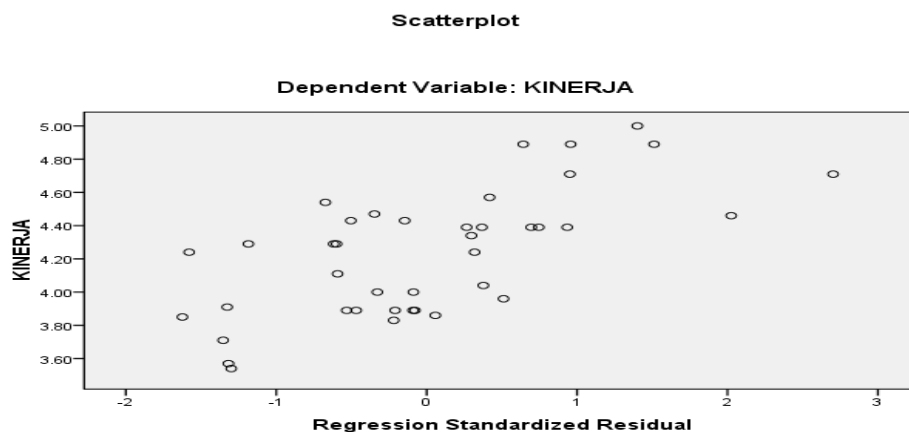
Table 2. Tolerance Value And VIF

Variable	Tolerance	VIF
Talent management	0.950	1,053
Integrity Zone	0.950	1,053

Source: Processed SPSS version 22

The calculation results show that the talent management variable and the integrity are free from multicollinearity.

2. The heteroscedasticity test is shown in the following figure:

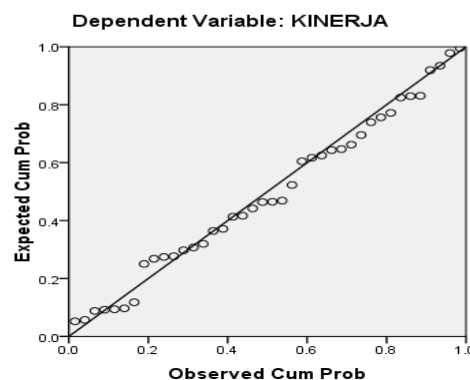


Source: Processed SPSS version 22

Based on the picture above, it shows that there is no heteroscedasticity among the independent variables.

3. Normality test is shown in the following figure:

Normal P-P Plot of Regression Standardized Residual



Source: Processed SPSS version 22

Based on results if the data show that the data that represents variable study has normally distributed.

Validity test

The validity test states that the research instrument can be used for what it should measure (Sugiyono, 2015). The validity test is presented in table 3:

Table 3. Validity Test

Variable	Indicator	R count	R table
Talent management (X1)	X21	0.630	0.195
	X22	0.313	0.195
	X23	0.416	0.195
	X24	0.490	0.195
	X25	0.647	0.195
	X26	0.512	0.195
	X27	0.439	0.195
	X28	0.769	0.195
Integrity Zone (X2)	X21	0.747	0.195
	X22	0.633	0.195
	X23	0.426	0.195
	X24	0.611	0.195
	X25	0.763	0.195
	X26	0.348	0.195
Organization Performance (Y)	Y1	0.754	0.195
	Y2	0.731	0.195
	Y3	0.519	0.195
	Y4	0.414	0.195
	Y5	0.395	0.195
	Y6	0.689	0.195
	Y7	0.580	0.195

Source: Processed SPSS version 22

The results of the validity test data show that all the indicators used in the study have a calculation result that is greater than the r table of 0.195 so that overall, the indicators represented in the questionnaire are valid. This means that all indicators of research variables are considered feasible to be used.

Reliability Test

Reliability testing is used to test the consistency or level of determination of the research instrument. The reliability test aims to ensure that the questionnaire used to collect data on respondents' answers is reliable or not. Provisions on the results of the consistency test or the level of accuracy are measured by the standard composite reliability value and the Cronbach alpha value of 0.6 (Ghozali, 2014). Reliability test results:

Table 4. Reliability Test

Variable	Calculation of Cronbach's alpha
Talent management (X 1)	0.863
Integrity Zone (X2)	0.765
Organizational Performance (Y)	0.816

Source: Processed SPSS version 22

Based on the results of the reliability test, it is known that all the variables used in the study have test values that meet the reliable criteria, with a value greater than 0.6. This means that each respondent's data collected has a consistent level of determination.

t test

Based on the results of data analysis, the following outputs are obtained:

Table 5. t test

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	.506	.688		.736	.467		
TALENT	.702	.103	.767	6,838	.000	.950	1.053
INTEGRITY	.161	.105	.172	1,536	.000	.950	1.053

a. Dependent Variable:
PERFORMANCE

Source: Processed SPSS version 22

The results of the t-test for X1 are 6838 with a significant value of 0.000, a significant value <0.05. The value of t table is 1,303. This result shows that t count is greater than t table so that talent management has a positive and partially significant effect on organizational performance. The result of the t-test for X2 is 1.536 with a significant value of 0.000, the value is <0.05. The value of t table is 1,303. This result shows that t count is greater than t table so that the integrity zone has a positive and partially significant effect on organizational performance.

F test

The F test is used to show whether the two independent variables simultaneously or together have an effect on the dependent variable. The results of the F test test are shown in the following table:

Table 6. F test

ANOVA ^b						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3.040	2	1,520	23,376	.000 ^a
	Residual	2.406	37	.065		
	Total	5.445	39			

Source: Processed SPSS version 22

F value count of 23,376 with level significant 0.000. Table F value is 3.09 . F value count bigger from F table i.e. $23,376 > 3.09$ which means management talent and zone integrity influential positive and significant by simultaneous to performance organization.

DISCUSSION

Talent management or also known as talent management is a process carried out by organizations to anticipate and meet talent needs in strategic work. All employees of the Riau Islands BPKP Representative are seen as having the potential to create added value for the organization through mastery and fulfillment of talent needs that support work that will improve organizational performance. The work done by talented employees will produce maximum work results. This result is in line with Perdana and Hani (2019); Vardarlier and Abdullah (2012); shows talent management can affect organizational performance.

Integrity zone is a form of government organizational management practice that aims to achieve a government that is free from corrupt practices. The results showed that the integrity zone partially had a positive and significant effect on organizational performance. The results of this study are in line with the results of Gani (2019); Pratama, et al (2019) states that the integrity zone plays a role in creating a corruption-free government bureaucracy and improving the performance of public services.

CONCLUSION

This research, which was conducted at the BPKP Representative Office of the Riau Islands Province, was a study aimed at examining the influence of talent management and integrity zones on organizational performance. Talent management and integrity zones are two important factors in achieving organizational performance at BPKP Riau Islands Representative Office. Research conclusions show:

1. Talent management partially has a positive and significant influence on organizational performance.
2. Integrity zone partially has a positive and significant influence on organizational performance.
3. Talent management and integrity zone simultaneously have a positive and significant impact on organizational performance.

Base on the conclusion, the research's suggestions are:

1. For the BPKP Representative Office of the Riau Islands Province

Considering that the integrity zone has the smallest coefficient that affects organizational performance, it is necessary to follow up from the BPKP Representative Office of the Riau Islands Province to be more serious about implementing the integrity zone organizationally. The Integrity of BPKP to implement a clean government system and prevent criminal acts and abuse of authority. Meanwhile, the implementation of talent management at the BPKP Representative Office for the Riau Islands Province has been very good, but it can be further improved in order to improve the overall organizational performance.

2. For Future Research

This study uses research objects of the Riau Islands Representative Office BPKP employees with a relatively small population, so further research needs to be carried out with a wider scope and a larger number of respondents to obtain more representative

research results. Future research can also add other variables such as *resources-based view* and risk management to produce more varied research.

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