



## THE ROLES OF TALENT DEVELOPMENT INSTITUTE IN DEVELOPING AN ORGANIZATION'S EMPLOYEE SOFT SKILLS

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### ABSTRACT

*This research aims to become one of management's references to maximize the HR's functions, especially those related to talent development. Human Resource is expected to optimize the planning on itself. This includes on how to recruit the right people for the company as well as on how to develop and to utilize human existing resources to support the business growth. This research is a case study and a project plan of Talent Development at PT. Indako Group – Medan.*

*The issues raised in this research are what causes HRD considered not develop employee soft-skills maximally and how much HRD plays a role and functions in developing employee soft-skills. This research belongs to qualitative research with literature study in collecting the data. The discussion found out that HRD's day-to-day activities were limited only to administrative activities. Whereas HRD should play a major role in developing the employee soft skills.*

*Regarding the talent development issue, the researchers suggest determining back the organizational culture and mapping the competence professionally. Thus, the employees can implement the leadership values in themselves, named Build Superior Talent. Still, they can transform the leadership values determined so that talent can be created. Next, HRD is expected to implement core values such as Competence, Opening Mind, Care, Knowledge, Passion, Integrity, Teamwork. All of these are called COCKPIT and complete the process of employee soft-skill development.*

**Keywords:** Competence, Development, Integrity, Knowledge, Talent

### INTRODUCTION

Based on Gupta's research (Gupta, 2008) on the CEOs on the most influencing factors on business output are talent acquisition and retention (98%), quality of leadership (89%), and employee engagement (84%). Meanwhile, Price Waterhouse Coopers conducted research over CEOs in 11<sup>th</sup> Annual Global Survey 2008. He researched about how much attention they paid on the potential threat over the companies' future growth over 1150 CEOs. It was found out that the CEOs gave great attention on the availability of skilled employees in their business, so they could succeed. The CEOs also paid attention on the decreased economy, and the last one was over regulation. The results of the research are shown on this following table:

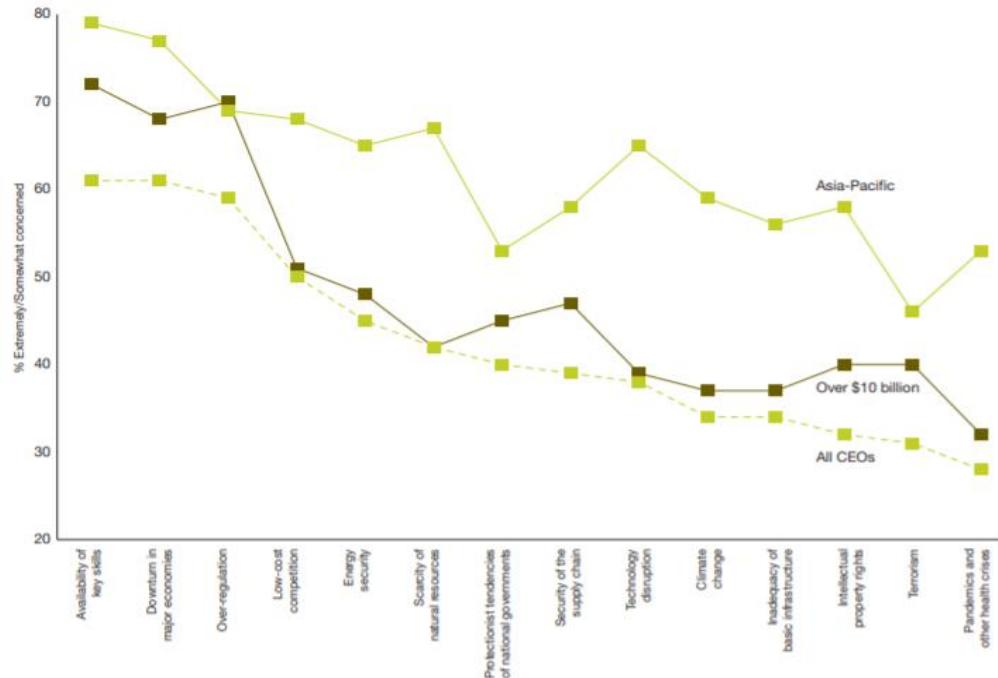
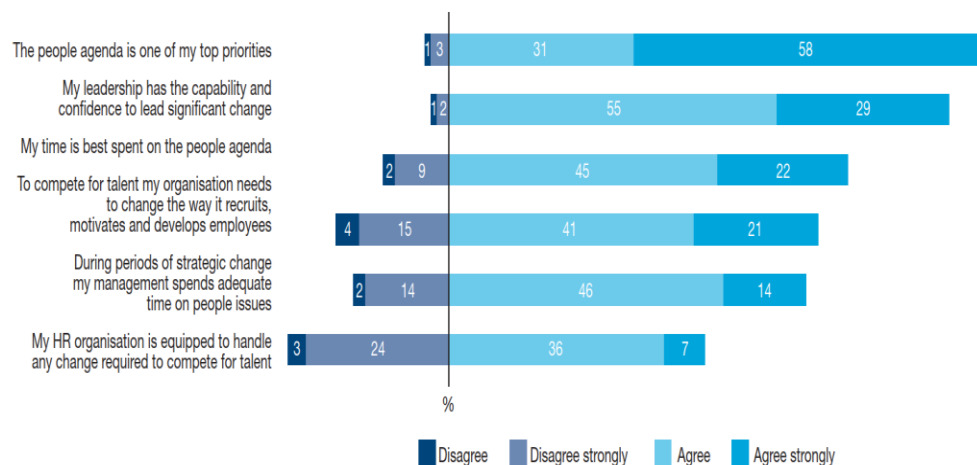


Figure 1: Factors Influencing Business Outputs

From the same source, there was information gained that the agenda on HR is a priority the CEOs have in their mind. This can be seen on this following figure:



An organization's success cannot only be determined by capital and facilities it possesses, but it can also be determined by the availability of reliable Human Resources. Every organization requires mentally and spiritually healthy human resources. They must be kind, disciplined, eager, and capable. Their skills should be in accordance with the challenge and requirement of real world.

In this meantime, HRD Department is demanded to create training programs, which are integrated. These programs are aimed to make sure the success of organizational vision and mission is a part of the "business strategy". Related to the talent management, the changes of character and personality between generations are important to take care of, especially in order to gain and maintain the best human resources. This is important to notice, so the best way to manage each generation can be implemented. Large organizations are prioritizing talent management for

2 main competence reasons. First is profiling for key positions. And second is for proposing the potentially competent candidates for better positions based on the competence profiling, which are set based on organization's needs. These are conducted because these have been proven to result in better outputs in attracting, keeping, and developing the employees.

There are also probably some other factors affecting the relation between talent management and organization performance. They are meant to develop the talent and performance of employees in organization. One of the factors can be manifested by trainings. These trainings can be inserted in HRD's program. TDI (Talent Development Institute) plays role to conduct trainings on Human Resources for the organization. It must master visions, missions, business strategies, problems, and challenges. These frequently appear in organization's human resources, such as administrative skill, soft-skill development, and preparation for certification from the regulator. In other words, Talent Department belongs to a process, which makes sure all the employees work hard to achieve the company's set vision and mission. In addition, TDI also encourages the performance, to increase the development of individual skills, to develop culture of performance, decreasing the bad performance of employees, and to help implementing business strategy. Effective TDI is required in every organization. This is to improve and to strengthen the relationship between the organization's talented employees and organization performance.

PT. Indako Group has a valued leadership standard called *Build Superior Talent*. This means that all executives of PT. Indako – Group Medan must possess the attitude and responsibility to train, develop, increase, and organize the work of talented employees. They are also demanded to be able to work and to improve diversity, which is believed to provide good results. The company's executives must ensure as well that the company have talented as the leaders needed to win the competition.

Employee development is aimed to establish talented employees, who are in line with the "organization's culture" and "professional competence". These two are main elements done in improving the employees at PT. Indako Group – Medan. PT. Indako Group-Medan owns many business units and departments to control properly. Thus, without executives, who do not possess strong company values, risky deviations may happen.

## LITERATURE REVIEW

Talent refers to the key employees who have strategic and sharp thinking, ability to lead, skilled communication, interesting ability and inspiring people, possess entrepreneur instinct, functional skill, and ability to create work (Sudarijati & Setiawan, 2019). Talent Management is one of extended function from human resource management. It appeared in the beginning of 1990s. Until now, within less than 20 years, talent management has continuously been adopted and used by companies in Indonesia.

There are various definitions of talent management by scholars. One of them is a HR management related to three processes: developing and reinforcing new employees entering the organization; maintaining and developing the existing employees in organization; and attracting as many as possible the employees with competence, commitment, and character to work for the institution (Bashori, 2012) Strategically, talent management is aimed at finding opportunities which produce maximal performance for the organization.

On the other side, talent management can also be aimed as efforts to ensure: (1) someone's ability to understand and to finish the function of his or her duty, (2) the development of individual and organization to adjust and to adapt, (3) the emergence and development to learn in organization, (4) able to understand and to accept the out-of-organization environment. Talent

management is really needed because this is the main reason why employees survive in a company, which is in line with the ability to do the work (Karina & Ardana, 2020).

From the definitions above, it can be concluded that relation between talent management and the extension of HRD functions included some processes. They are Hiring; Selection and Placement; Remuneration, Performance Evaluation and Career Planning; Research and Development. PT. Indako Group uses fundamental philosophy in designing Talent Development as competency context. This means every designed competence development program must be connected with competence model in future talent needs. Thus, every competence development program must be started with internal insight of every talent people. If the organization wants to develop someone, but that someone never gets his or her insight, surely his or her self-development will never succeed. Finding talent management is thought to be very important in modern organization. This is because the economy appears to be modern and the business needs become more strategic. Meanwhile, the young generation begins to enter a competitive HR era. Thus, talent management is said to be the new way to manage human resource in a company (Sukoco & Fadillah, 2016)

## **RESEARCH METHODS**

This research focuses on the implementation of talent development institute as the training development to improve the qualified human resource. This research belongs to qualitative research, which is based on the phenomenology and other philosophies, such as rationalism (Bungin, 2017). The researcher used inductive method to analyze the data. In qualitative method, the findings emphasize the meaning instead of generalization. Still, this research applied literature study to collect the data for the deep discussion on talent development institute as the training development in order to improve the qualified human resource. Descriptive research is aimed at providing description, illustration, and picture systematically. It is aimed at providing factual and accurate facts as well. The techniques for data collection in qualitative research are observation, interview, and document study.

1. Observation

Observation in this research was conducted by non-participant observation over the employees working at PT. Indako Group, branch of Medan

2. Interview

Interview was performed to find out the comprehensive data and to gain accurate and appropriate data sources. The researcher interviews the employee attending the talent development institute.

3. Document study

Document study is required in this research in order to sharpen the research analyses related to TDI program.

## **RESULTS AND DISCUSSION**

Based on the conducted interview and observation, there are some findings the researchers are willing to describe here about talent development institute by the human resource of PT. Indako. On talent management program. Organizations lack of talented employee anywhere. There are many chances for them, but it is not easy to find people for the positions. This is because the changes and development in business organization exceed the organizations' speed to prepare future talented leaders (Ika Zenita Ratnaningsih, 2011). Therefore, preparing talented people must be main attention for any companies. These challenges were also faced by growing PT. Indako

Group – Medan. In its beginning, PT. Indako Group did not have the complete components, including Human Resource. In its early stage, priority was given to branch building and marketing. As the time goes on, the company has managed to arrange itself in a more orderly way, including in managing its human resources. Along with its growth displayed in “Business Tree”, PT. Indako Group – Medan surely needs a sustainable process of regeneration, both for the leader and for the skill. Competence required for every business must be filled, so either company’s short-term or long-term goals can be achieved. This is what every company’s leader must do when they run strategic management for his or her company (Toha, 2003)

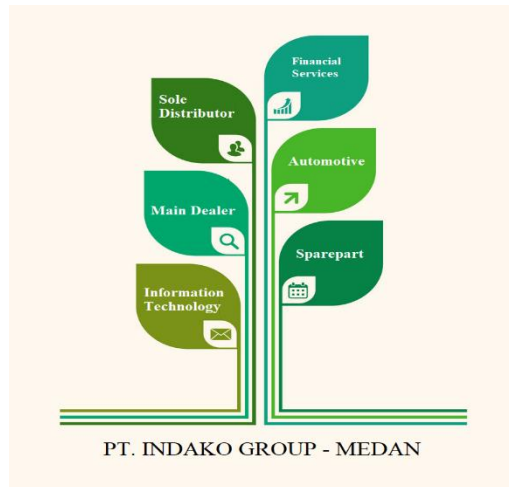


Figure 3: “Business Tree” of PT. Indako Group - Medan

Therefore, company values should be implemented and grow in all company’s management levels. These values have function as the key to ensure that all activities were performed in harmony. From starting to becoming part of the effectively operated, a company surely needs the appropriate strategy, time, and evaluation (Toha, 2003). PT. Indako’s management has compiled strategies by step to develop HR’s function in the company, from the candidate planning, recruitment, HR’s administration in line with the Indonesia’s most updated employment law, talent management, performance evaluation, and employer branding.

We understand that strong brand of an organization (company) will attract the real talent. The term ‘the war for talent’ has become popular. It has rapidly grown after Chamber, a McKinsey’s consultant’ introduced the term into management field in 1998 (Ali et al., 2019) However, in its beginning, the strong brand was also established by strong talents and it continues. Here, it is clear that HRD’s function is to play key role in employing these talents. Still, HRD also picks the best training and development for them. Companies, that invest their time and energy for employee’s, are respected by hard-working, motivated, and dedicated employees. These employees take care their company’s success so much. Still, the companies experience high productivity and profitability, and low turnover. Their employees feel that they are part of the company culture and they can create values through hard work and productivity. As mentioned in the previous background, HRD does not only perform its day-to-day activities (recruiting, salary, attendance, etc). They are also demanded to hold training and development programs, which can increase the employees’ competence. Furthermore, HRD has functions to establish organizational culture and makes sure that the existing technology is able to develop the values where the employees work at. Thus, it is appropriate to say that HRD plays important role in a company management

(Irmawati, 2015) whose tasks are to manage and to develop the human resource or to deploy all the employees' capacity in a company.

The key competence developed by HRD enables individual in organization to perform their work both now and then through the planned learning. The groups in organization use HRD to start and manage changes. Still, HRD also makes sure the suitability between individual and organization's needs. Individuals' performance must be increased, so they can directly contribute for the same purpose as the organization. This is the main purpose of the HRD.

HRD should still be included as part of Human Resource Management (HRM). This is one of important factors in an organization, both an institution and in a company. This is because to improve the value added of an organization means to win the competition in the global market and to maintain the company's sustainability by creating competitive excellence. Still, in VUCA (Volatile, Uncertain, Complex, Ambiguous) era, HRD is always demanded to be able to implement the practical management, which orients on transparency, focuses on changes, and innovate through continuous training and development, and makes itself able to develop collective talent management. To achieve competitive excellence and to be able to implement the management practices, which orient on transparency, and to create the good governance system, a company must be able to produce, integrate, and distribute knowledge. This is measured from the organization's ability to develop a new knowledge based on the human resource (Wahyu et al., 2017). HRD plays role as the valuable asset and as driving force for the company. HRD is not only demanded from its basic and traditional roles, such as recruitment and staffing. More than that, it is demanded to play more business and strategic roles and functions, such as business partner and part of management team (Endri, 2010).

Covid-19 pandemic has challenged HRD. It must be able to implement the crisis management within the right steps in managing the employees, so competence can be improved when facing the Covid-19 pandemic (Yusriadi, 2021). This is why HRD's function develops to be talent management, which has more tendency into business-and-strategy-related issues. This is based the more rapid changes on global business environment. Some of these changes are uncertain business growth, rapid technology development, more complex changes on organization from the points of product and geography. Thus, organization is demanded to be more flexible from organization's structure, system, and process. Still, the other changes are external changes such as legal and regulation from government, relation with the labor union, multinational competition, the importance of collaboration, merger, and acquisition. The demands for changes in business environment demand HRD to play more roles to directly handle and involve itself in people related business. Issues on people related business will be focus for the HRD policies. A more solid HR will ease the process of human resource management. Therefore, employee productivity can improve to support the company's growth. Certainly, it is supported by the talent management, which establishes an engagement (Mende & Dewi, 2021)

In short, engagement is not restricted to only make employees comfortable to work in their company. More than that, within the talent management program, the employees are more eager to work, not having much complaint when working. As important as before, engagement can encourage employees to provide their best to achieve the company's goals. An engaged employee will commit to goal, employ all his or her abilities to complete the duties, ensure that she or he has well finished the duties as stated in company's goals, and become willing to take correctional steps or evaluation whenever it is needed.



## CONCLUSION

In this section, author present brief conclusions from the results of research with suggestions for advanced researchers or general readers. A conclusion may review the main points of the paper, do not replicate the abstract as the conclusion.

Customer's and employee's trusts on the company must be maintained and improved, especially if we refer back to the economy crisis some years ago. The crises decreased customer trust. "Trust Building" is performed by companies through 3 pillars, they are improving the company's speed in working and responding various things, reducing cost, and increasing revenue. To improve the organization speed, a company must make the business process perfect and cut some unnecessary business bureaucracy. These can save time. The employees, who directly deal with customers, experience this process speed. Improving speed in organization aims at customer satisfaction over quick service. Thus, this can restore the company's image and improve its revenue.

Transformation is must. Every company must transform itself. If she does not want to change, the change will destroy her. Changes on a company must start from the leaders in all levels and high commitment on the transformation programs them.

To have competent and qualified employees with the expected leadership values, PT. Indako sees that process of talent development is really essential. The main precondition required to execute this is work culture, which orientates on high performance. The process of good Talent Development is also required to create qualified company's leader cadres and employees. This process includes identification, selection, development, and retention. The employees are going to join the process of transformation if they feel satisfied on management. Thus, employee satisfaction becomes the key for the successful talent development. The process of talent development is continuous, so the next leaders at PT. Indako, who meet the qualification, are going to provide attention to the talent management. This is going to be the key for the sustainable success.

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