Effect of Application of Talent Management, Competency and Work Motivation on Employee Performance, Through Employee Retention (Study on ASN Government City Surabaya)

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Abstract— The purpose of this study was to determine how the influence of the application of talent management (X1), competence (X2), work motivation (X3), on employee performance (Y) through employee retention (Z) as an intervening variable in the Surabaya City Government ASN. The sample of respondents in the study was 156 people from the Surabaya City Government ASN population who had taken a competency assessment according to the Regulation of the Minister of Administrative Reform and Bureaucratic Reform Number 3 of 2020 concerning Talent Management of the State Civil Apparatus, totaling 256 people. The data collection technique used is the method of questionnaire (questionnaire) and observation. The data analysis technique was carried out by testing research instruments (validity test, reliability test, and convergent validity and reliability testing), descriptive analysis, and hypothesis testing using SEM (Structural Equation Modeling) with AMOS version 23.0 program. The results show that all the hypotheses proposed have a significant influence, namely the application of talent management to employee retention, the application of talent management to performance, competence to employee retention, competence to performance, work motivation to employee retention, work motivation to performance, and employee retention to employee retention. performance.

Keywords— Talent management, competence, work motivation, performance, employee retention.

I. INTRODUCTION

Public demand for public services is getting higher. Along with the rapid development of technology, people also want the same thing in terms of getting services. On the other hand, the performance of the government bureaucracy as a public service provider is still often in the spotlight, considered unsatisfactory or even bad. This can be seen from the number of complaints and complaints from the public either directly, through mass media, or social media such as complicated procedures, no certainty in the settlement period, costs to be incurred, less transparent requirements, attitude of officers who are less responsive and so on. The poor implementation of public services, one of the contributing factors is the inadequate quality of human resources which has an impact on the low performance of employees. The cause of the low performance of employees, among others, is the competence of employees who are still lacking.

The competence of civil servants as public service providers plays an important role. The existence of civil servants in the era of reform and the implementation of regional autonomy now has a very strategic position, because whether or not it is smooth, good or bad, the administration of government and public services is very dependent on the competencies possessed and controlled by civil servants. The paradigm shift in governance from "rule government" to "good governance" or "from government to governance", from centralized to decentralized, needs to be addressed and balanced with civil servants who have adequate competence and are in accordance with the demands of the task. This civil servant competence is related to the ability in the form of knowledge, skills, skills, attitudes and behaviors needed in carrying out the main tasks,

functions of authority and responsibilities assigned to him. For this reason, the qualifications of government officials (PNS), especially leaders in the public bureaucracy according to Widodo (2006), must: have clean character and have no moral defects, have a vision for the future.

Another problem that causes the low performance of civil servants is related to the placement of employees. The performance of civil servants will not be good if the civil servants are placed in positions that are not suitable or even in accordance with their competencies. It is evident that there are still many officials who state that they are not suitable for the given task. Even though it is possible that their competence and ability do not fit in the given field. One of the elements in human resource management is utilization, namely placing people according to their competencies so that they can work optimally. Another term that is often used is the right man in the right place. In this case, the managers of policy makers in a government agency must be able to see the abilities or competencies of employees so that they can be placed in the right position. Because this will affect its performance. If our apparatus does not have the appropriate competence, then of course the results will not be as we expected. A hadith says "If we leave something not to the experts, then wait for its destruction" (Bukhari - 6015).

To be able to improve the competence, work motivation and performance of ASN, in order to achieve organizational goals, appropriate knowledge, methods and approaches to HR management are needed. The management of ASN human resources in the old ways is considered no longer in accordance with the current demands of organizational performance. The new paradigm in Human Resource Management currently considers that human resources are organizational assets or

human capital that must be managed proactively and strategically (Ulrich, 1998). Because the biggest challenge for organizations today is to excel in talent competition. The new paradigm of the human resource function which later developed a lot is the importance of implementing talent management. Talent Management is seen as a strategic step in human resource development (Rees & Smith, 2014). In the midst of increasingly competitive competition, the role of human resources is felt to be increasingly important. Organizations realize that human resources are an important factor in creating an organization's competitive advantage. Therefore, organizations need to do human resource planning.

Research (P Khatri, S Gupta, 2010) in the Journal of Management Strategy states that talent-based management is the development of human resources based on one's talents, so the concept of talent management is believed to be better than other resource concepts in human resource development. This talent-based management can be applied in various companies that use talented workers and will encourage their competence at work. Talent management is a relatively new concept in the HR field. The term talent management was first introduced by McKinsey through a study "the war of talent" in 1997, which later became one of the first published books in 2001 (Michaels, 2001).

The implementation of human resource management (HR) through talent management has so far been more familiar in the private sector. Large companies such as General Electric Co.Ltd (United States), PT. Garuda Indonesia Tbk, PT. TELKOM Tbk, and PT. Pertamina Tbk (Indonesia) is a company that has implemented Talent Management (MT). However, in the last few decades more and more management concepts were initially only implemented in the private sector, then adopted and replicated in the public sector, including talent management. Several government agencies that have implemented Talent Management include the Ministry of Finance and the Central Java Provincial Government (Suryanto, 2019).

Several studies have tried to analyze the application of talent management in the public sector, such as in the health and education sectors (Erasmus, B., Naidoo, L., & Joubert, P., 2017). A survey on the application of the merit system conducted by the State Civil Apparatus Commission (KASN) on local governments in 2019 showed that only 14% of district governments and 22% of city governments were in the good and very good category in implementing merit/talent management-based HR management. (KASN, Mapping the Application of the Merit System in US Management, 2019:2). This means that there are almost 350 regencies and more than 50 cities where the application of the merit system is still in the bad and unfavorable categories. Therefore, research on the application of talent management in local governments is very important to do. The concept of Talent Management (MT) has actually been stated in Government Regulation Number 11 of 2017 concerning Management of Civil Servants. In article 134 it is explained that talent management is one of the applications of the merit system in government agencies and is part of the implementation of career management for civil servants. The concept of implementing Talent Management was then

followed up with the enactment of the Minister of State Apparatus Empowerment Regulation (PAN RB) Number 3 of 2020 concerning Talent Management of the State Civil Apparatus.

In general, the main objective of implementing this talent management policy is the realization of the right person on the right job in managing human resources (HR) in government agencies. As emphasized by (Collins, 2001, hal. 5), "having the right people comes before having the right strategies", which emphasizes the importance of human resource placement in order to encourage organizational progress. The talent management policy is also an embodiment of the statement, "people are our greatest assets in organizations" in order to achieve organizational performance targets (Sears, 2003, hal. 4).

A challenge for the Surabaya City Government is to be able to manage its human resources optimally. Currently, the demands of the professionalism of the Surabaya City Government Civil Servants in their work are getting bigger. With a population of Surabaya City of more than 3.3 million people, with various problems in the community, the Surabaya City Government must be supported by superior and quality human resources in providing the best service for its citizens. One strategy to improve quality human resources is to adopt and apply the concept of human resource management that has been launched by MENPAN RB, namely talent management. The Surabaya City Government has pioneered the implementation of talent management since 2017 and in April 2021 it received an award from KASN with a "GOOD" rating.

The Surabaya City Government has also conducted a gradual employee competency assessment. Competency assessment is carried out using the Assessment Center method and competency standards that have been set by the Minister of Administrative and Bureaucratic Reform Number 38 of 2017 concerning Competency Standards for State Civil Apparatus Positions (for officials) and Minister of Agriculture Regulation Number 41 of 2018 concerning Nomenclature of Implementing Positions (for staff). The competency assessment aims to identify and map the competencies and talents of Surabaya City Government Civil Servants. This talent identification and mapping will be used as material for talent management. Employee talent mapping must be done, because without a good employee talent mapping, the talent management process will not run effectively.

To see the HR management function running well in improving the performance of ASN and based on the description of the background, the authors are interested in studying further about the problems that exist in the Surabaya City Government environment by conducting research with the title "The Influence of Application of Talent Management, Competence, and Motivation Work on employee performance, through employee retention within the Surabaya City Government.

Formulation of the problem

Based on the above background, the formulation of the problem in this study is as follows:

1. Does the application of talent management affect the retention of Surabaya City Government ASN employees?
2. Does the application of talent management affect the performance of the Surabaya City Government ASN?
3. Does competence affect the retention of Surabaya City Government ASN?
4. Does competence affect the performance of the Surabaya City Government ASN?
5. Does work motivation affect the retention of Surabaya City Government ASN employees?
6. Does work motivation affect the performance of the Surabaya City Government ASN?
7. Does employee retention affect the performance of the Surabaya City Government ASN?

Research purposes

The purpose of this study is to prove and analyze the effect of:
1. Application of talent management to the retention of Surabaya City Government ASN employees
2. Implementing neglect management on the performance of the Surabaya City Government ASN
3. Competence towards the retention of Surabaya City Government ASN employees
4. Competence on the performance of the Surabaya City Government ASN.
5. Work motivation on employee retention
6. Work Motivation on the performance of the Surabaya City Government ASN
7. Employee retention on the performance of the Surabaya City Government ASN

Benefits of research

This research is expected to be useful for many parties and for various purposes, including:
1. For students

   The results of this study are expected to provide additional information in the form of knowledge and insight related to HR management issues, especially those related to talent management, competence, work motivation, performance and employee retention.
2. For government agencies/institutions

   The results of this study are expected to be input for agencies to develop their human resources so that they can improve and provide the best for employees. As for employees, it is expected to increase morale and work performance so that they can easily achieve job positions that are in accordance with their competencies.
3. For the other party

   The results of this study can be used as an additional reference for the development of new ideas for further research, and as a consideration for companies or other agencies facing the same problem.

II. THEORETICAL BASIS

2.1.1 Talent Management

(Rampersad, 2006) argues that: "Talent management is a way of managing talent in the organization effectively, planning and developing succession in the company, realizing the maximum self-development of employees, and optimal utilization of talent." The above definition shows that talent is something that is owned by employees that is built and nurtured through training and development programs by an organization for a long-term process that is able to improve its performance so that it can be the driving force behind their contribution to the success of the organization. Therefore, it is the obligation of every company to analyze and develop the talents of each of its employees. Talent management is defined as the process of identifying, developing, recruiting, retaining, and deploying talented people (Armstrong, 2008). The results of research in the field of HR, state that talented employees show the main characters, namely the ability to carry out roles, ability to handle change, capacity to learn, and personal profile (Sudjatmiko, 2011). According to (Lockwood, 2006), talent management strategy has a focus on five areas, namely: attracting, selecting, engaging, developing and retaining talented employees.

According to Smilansky (2008), the purpose of talent management is to develop the best superior team in competitive business conditions, to obtain replacement candidates for key executive positions, to allow for mutual filling among executives from various functional, geographic, and business backgrounds. , so as to foster innovation and make the best possible use of existing internal resources within the company, to develop the necessary career opportunities, which can retain and attract the best executives, to build a culture that is able to encourage the best executives to perform at the peak of their potential, to ensure that there are opportunities for the most talented employees to move rapidly from the lower levels of the company to the top levels, to structure a potential employee assessment process whose results exceed the employee manager's perspective, and to build a sense of ownership of the need for skilled employees. good talent, opens unlimited opportunities for special employees, and develops employees for the benefit of the company. Talent management regulations are contained in the Regulation of the Minister of Empowerment of State Apparatus and RB No. 3 of 2020.

2.1.2 Competence

(Kreitner & Kinicki, 2003) interprets the concept of competence as a combination of abilities and skills. While Harris (2000) explains the concept of competence as a combination of talent (aptitude) and ability (ability). According to (Spencer & Spencer, 1993, hal. 34) classifies the dimensions and components of individual competence into three, namely intellectual competence, emotional competence, social competence, and spiritual competence.

2.1.3 Work Motivation

According to Sulistiyani (2011: 58), motivation is the process of giving encouragement to subordinates so that subordinates can work in line with the given limits in order to achieve organizational goals optimally. Similar to the opinion of Samsudin (2010:281) motivation is the process of influencing or encouraging from outside a person or work group so that they want to carry out something that has been determined and according to (Siagian, 2002, hal. 102), states that motivation is the driving force for someone to contribute as

much as possible to the success of the organization in achieving its goals. In contrast to the opinion of Edwin B. Flippo (2012:143), motivation is a skill, in directing employees and organizations to want to work successfully, so that the wishes of employees and organizational goals are simultaneously achieved.

2.1.4 Employee Retention

Employee retention is defined as the company's efforts to maintain quality employees and have the potential for the company's progress to give loyalty to the company (Sumarni, 2011). So that employees feel a situation to stay and continue to contribute to the company where they work (Wijayanti and Nurtjahjanti, 2012). Another opinion was expressed by (Susilo, 2001) that retention is a strategy to achieve company goals by retaining quality employees. In this study, researchers used employee retention measurements based on Permanpan RB, namely succession plans, job rotation, job enrichment, job enlargement and awards.

2.1.5. Performance

Performance is a real behavior that is displayed by everyone as work performance produced by employees according to their role in the company (Rivai, 2004, hal. 309). Meanwhile, Wirawan said that performance is the output produced by the functions or indicators of a job or a profession within a certain time (Wirawan, 2009, hal. 5). According to Keith Davis (Mangkunegara & Prabu, 2010) the factors that influence the achievement of performance are the ability factor and the motivation factor. Meanwhile, according to Simamora (1995), HR performance is influenced by three factors, namely individual factors consisting of abilities and expertise, background and demographics, psychological factors consisting of perceptions of attitude, personality, learning, and motivation, and organizational factors consisting of resources. resources, leadership, rewards, structure and job design.

III. CONCEPTUAL FRAMEWORK

This study consists of independent variables or independent variables (X1) namely talent management, (X2) namely competence, and (X3) namely work motivation, the dependent variable or dependent variable (Y) namely employee performance and the intervening variable (Z) namely employee retention. For this reason, it can be seen in more detail in the form of a chart as follows:
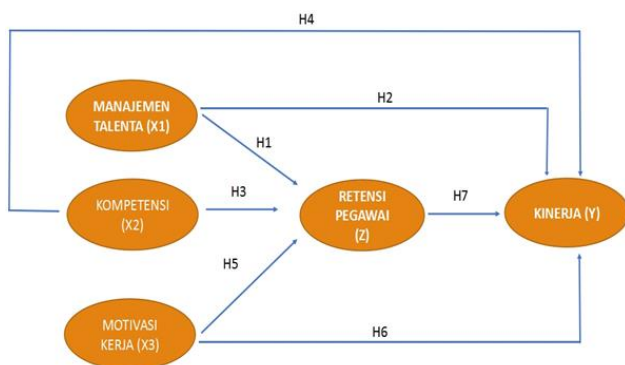

Figure 1. Conceptual Framework

Research Hypothesis

Based on the formulation of the problem, research objectives and research benefits above, the authors propose the following hypothesis:

H1 : There is a significant effect between the application of talent management on the retention of ASN employees of the Surabaya City Government

H2 : There is a significant influence between the application of talent management on the performance of the Surabaya City Government ASN.

H3 : There is a significant influence between competence on the retention of ASN employees of the Surabaya City Government.

H4 : There is a significant influence between competence on the performance of the Surabaya City Government ASN.

H5: There is a significant influence between work motivation on the retention of ASN employees of the Surabaya City Government

H6: There is a significant influence between work motivation on the performance of the Surabaya City Government ASN

H7 : There is a significant effect between employee retention on the performance of the Surabaya City Government ASN

IV. RESEARCH METHODS

The population in this study is the Surabaya City Government ASN who have followed the competency assessment according to the Regulation of the Minister of Administrative Reform and Bureaucratic Reform Number 3 of 2020 concerning Talent Management of the State Civil Apparatus, amounting to 256 people. The sample who became respondents in the study were 156 people with calculations using the Slovin formula using an error rate of 5% and a confidence level of 95%. The sampling technique using proportional stratified random sampling was used with the aim of obtaining a representative sample by looking at the stratified population of Surabaya City Government employees, consisting of several heterogeneous (different) work units. In this study, the types of data collected are primary data and secondary data. To collect primary and secondary data, the researcher used several data collection techniques, namely the questionnaire (questionnaire) and observation methods. The data analysis technique was carried out by testing research instruments (validity test, reliability test, and convergent validity and reliability testing), descriptive analysis, and hypothesis testing using SEM (Structural Equation Modeling) with AMOS version 23.0 program.

Analysis and Research Results

Before analyzing further, a pilot study is carried out first, which aims to check the validity of the measuring instrument used in a study, because whether or not the data taken from the data source uses a measuring instrument, the tool must be tested first to ensure the accuracy of the measurement. In this study, the questionnaire was tested on 30 Surabaya City Government employees with the results showing the Pearson correlation (r) value for each statement item has a value range between 0.485-

0.700 (greater than r table 0.361) and also a significance value less than the real level =5%. The corrected r value for each statement item has a range between 0.439-0.654 (also greater than r table 0.361), so it can be decided that all statement items have met validity, and are valid to measure talent management variables. The results of the validity test on each statement item used to measure the competency variable that shows the Pearson correlation (r) value on each statement item has a value range between 0.504-0.711 (greater than r table 0.361) and also a significance value less than the real level = 5%. The rcorrected value for each statement item has a range between 0.408-0.662 (also greater than r table 0.361), so it can be decided that all statement items have met validity, and are valid for measuring competency variables. The results of the validity test on each statement item used to measure the work motivation variable that shows the Pearson correlation (r) value on each statement item has a value range between 0.589-0.746 (greater than r table 0.361) and also a significance value less than the real level =5%. The rcorrected value for each statement item has a range between 0.518-0.695 (also greater than r table 0.361), so it can be decided that all statement items have met validity, and are valid to measure work motivation variables. The results of the validity test on each statement item used to measure the employee retention variable with the results showing the Pearson correlation (r) value on each statement item has a value range between 0.517-0.763 (greater than r table 0.361) and also a significance value less than the real level. =5%. The rcorrected value for each statement item has a range between 0.449-0.738 (also greater than r table 0.361), so it can be decided that all statement items have met validity, and are validly used to measure employee retention variables. The rcorrected value for each statement item has a range between 0.446-0.712 (also greater than r table 0.361), so it can be decided that all statement items have met validity, and are validly used to measure employee performance variables. Furthermore, a reliability test was carried out which showed the results of the reliability test on all variables resulting in a Cronbach's alpha value greater than 0.60, so that the preparation of the questionnaire statement items was used to measure the variables of talent management, competence, work motivation, employee retention, and employee performance. can be stated as reliable and trustworthy as a reliable and consistent measuring tool.

In this study, the analysis of Structural Equation Modeling will be divided into 3 sub-chapters, namely: (1) SEM assumption testing, (2) measurement model analysis, and (3) structural model analysis. In testing the SEM assumption, there are several steps, namely the first is multivariate normality with the following results:

TABLE 1. Multivariate Normality Test Results

Test	Kurtosis	c.r multivariate	Conclusion
Multivariate normality	36,268	7,287	c.r. is outside the range of ±1.96, so that the multivariate data are not normally distributed

The results of the normality test showed a multivariate c.r of 7.287 which was outside the range of -1.96 to +1.96 at a significance level of 5%, so it can be concluded that the multivariate data were not normally distributed. The second is a univariate outlier with the results showing each indicator on the variables of talent management, competence, work motivation, employee retention, and employee performance, all of which produce a Z-Score value in the range of ±3, so that it is univariately concluded that all observations in the study do not exist. identified as outliers and all of them can be used for analysis. The third is multivariate outlier with the results showing that the observation that has the largest d-squared mahalonobis value is respondent number 102, which is 46.77, this value is still smaller than the maximum limit of the chi-square table of 46.80. Thus, none of the observations (respondents) were identified as outliers, so all observations could be used for analysis. The fourth is singularity and collinearity with the following results:

TABLE 2. Singularity and Collinearity Detection Results

Independent Variable	Variance Inflation Factor (VIF)
Talent Management (X_1)	1,016
Competence (X_2)	1,019
Work Motivation (X_3)	1,004
Determinant of sample covariance matrix = 1,043	
Sample Correlations Matrix (maximum) = 0,679	

The table above shows three independent constructs in influencing employee retention and employee performance, all three of which produce a VIF value less than 10, which is 1.016 each; 1.019; and 1.004. The value of the determinant covariance matrix is also greater than zero, as well as the correlation matrix between indicators (sample correlation matrix) which produces the highest value of 0.679 (nothing exceeds the value of 0.80). Thus, it can be concluded that in this research model there is no multicollinearity and singularity, so that the non-multicollinearity and non-singularity assumptions can be fulfilled.

Furthermore, a measurement model analysis is carried out which functions to identify whether the indicators reflect the construct or in other words, the indicators are one unit/undimensionality in reflecting the construct. This analysis was carried out in three stages, namely testing the suitability of the measurement model (measurement model fit), construct validity (construct validity), and construct reliability (construct reliability). Measurement model analysis will be estimated using the help of the IBM-SPSS AMOS 24.0 program. The results of the measurement model analysis are presented in the following figure:

In the measurement model fit the results are presented in the following table.

The table below shows that the evaluation of the suitability of the model on the measurement model produces index values that are all in accordance with both GFI and CFI, with a marginal fit decision. Good fit means that the model already has a good model fit, while marginal fit means that the model is still within acceptable limits of conformity. The second is construct validity with the results showing that each indicator on the variables of talent management, competence, work motivation, employee retention, and employee performance, all have a factor loading value greater than 0.50 and an AVE value greater than 0.50, so that the indicators are valid in forming the

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construct (meet convergent validity) and valid to be used in constructing the model. And the third is construct reliability with the following results:
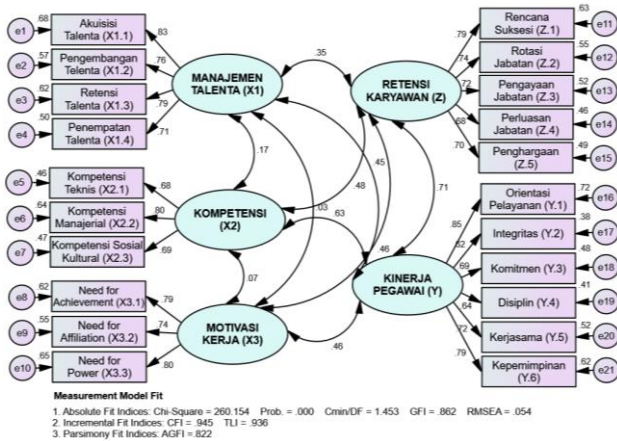

Figure 2. Measurement Model Estimation Results

TABLE 3. Fit Measure on the Measurement Model

Fit Measure		Critical Value	Measurement Model	
			Index value	Decision
Absolute Fit Indices	GFI	≥ 0,90	0,862	Marginal fit
Incremental Fit Indices	CFI	≥ 0,95	0,945	Marginal fit

TABLE 4. Results of Construct Reliability

Construct	Construct Reliability	Description
Talent Management (X_1)	0,854	Reliable
Competence (X_2)	0,765	Reliable
Work Motivation (X_3)	0,822	Reliable
Employee Retention (Z)	0,850	Reliable
Employee Performance (Y)	0,866	Reliable

The table above shows that all constructs produce construct reliability values greater than 0.70, so it can be concluded that the indicators are reliable in measuring the constructs of talent management, competence, work motivation, employee retention, and employee performance. Furthermore, a structural model analysis is carried out with the first step by evaluating the structural fit as follows:
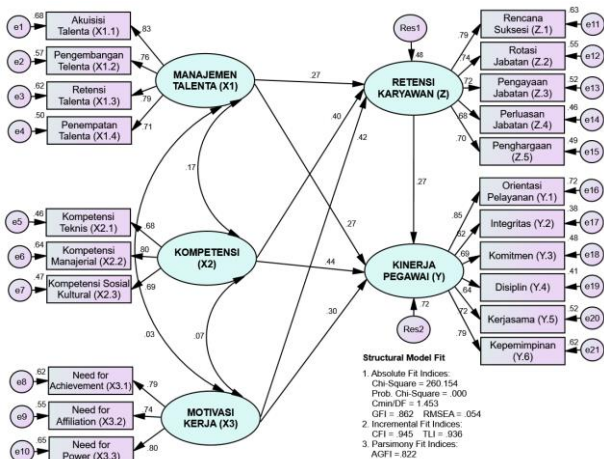

Figure 3. Structural Model Estimation Results (Base Model)

The results of the structural model suitability test (base model) show that the model suitability criteria are acceptable, but to get a better level of model suitability, the SEM model can be modified as follows:
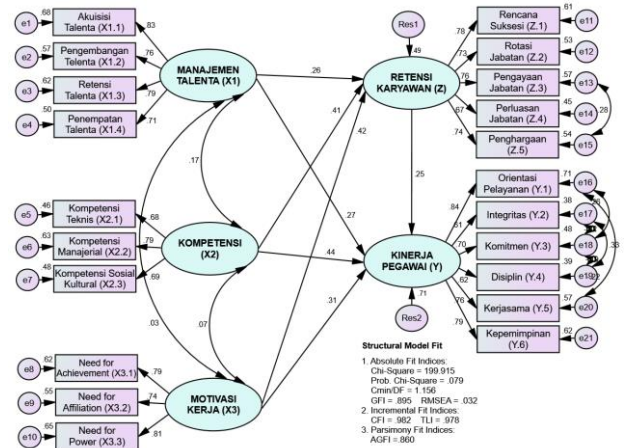

Figure 4. Structural Model Estimation Results (Modification Model)

Evaluation of the suitability of the model on the modified structural model, produces index values that are all appropriate, both Prob. 2, Cmin/DF, GFI, RMSEA, CFI, TLI, and AGFI, with good fit and marginal fit decisions. Thus, the structural model developed in this study already has a good and acceptable model fit. The next step is to test the coefficient of determination with the following results:

TABLE 5. Coefficient of Determination (R^2)

Effect Between Variables	R^2
X1, X2, X3 → Z	$R_Z^2 = 0,488$
X1, X2, X3, Z → Y	$R_Y^2 = 0,708$
Description:	
X1 : Talent Management	
X2 : Competence	
X3 : Work Motivation	
Y : Employee Performance	
Z : Employee Retention	

The table above shows that the RZ2 value is 0.488, meaning that the percentage of the influence of talent management, competence, and work motivation on employee retention is 48.8%, while the remaining 51.2% is influenced by other variables. Furthermore, the value of RY2 is 0.708, meaning that the percentage of the influence of talent management, competence, work motivation, and employee retention on employee performance is 70.8%, while the remaining 29.2% is influenced by other variables. Furthermore, hypothesis testing is carried out with the following results.

Furthermore, the indirect effect and total effect analysis were carried out. The following are the results of the path analysis of the indirect influence of talent management, competence, and work motivation on employee performance through mediation of employee retention.

TABLE 6. Testing Structural Relationships Between Variables

No	Structural Relationship			Std. Estimate	C.R.	P Value	Hypothesis Decision
1	Talent Management (X1)	→	Employee Retention (Z)	0,264	2,469	0,022	H₁ Accepted
2	Talent Management (X1)	→	Employee Performance (Y)	0,268	2,864	0,012	H₂ Accepted
3	Competence (X2)	→	Employee Retention (Z)	0,413	4,126	0,007	H₃ Accepted
4	Competence (X2)	→	Employee Performance (Y)	0,438	3,426	0,013	H₄ Accepted
5	Work motivation (Z)	→	Employee Retention (Z)	0,423	4,170	0,009	H₅ Accepted
6	Work motivation (Z)	→	Employee Performance (Y)	0,309	2,278	0,008	H₆ Accepted
7	Employee Retention (Z)	→	Employee Performance (Y)	0,248	2,184	0,029	H₇ Accepted

TABLE 7. Results of Indirect Effect Analysis

Indirect Line	Specific Indirect Efect Test (Bias-corrected percentile method)		Mediation effect	Mediation Type
	Std. Estimate	P-value		
X1 → Z → Y	0,065	0,021	Significant	Partially mediation
X2 → Z → Y	0,102	0,022	Significant	Partially mediation
X3 → Z → Y	0,105	0,027	Significant	Partially mediation

X1: Talent Management   X3 : Work Motivation
Y : Employee Performance
X2 : Competence   Z : Employee Retention

The results of the indirect effect analysis based on the table above show that employee retention significantly mediates the influence of talent management, competence, and work motivation on the performance of Surabaya City Government employees. The type of mediation is known to be partially mediation, this means that improving employee performance can actually only improve the application of talent management, increase competence, and increase work motivation, but if it is accompanied by an increase in employee retention, employee performance will increase even more. This happens because talent management, competence, and work motivation are able to have a direct impact on improving employee performance, or indirectly through mediation of employee retention.

Furthermore, the analysis of the total effect of each variable on employee performance is the sum of the direct and indirect effects. The following are the results of the analysis of the total effect of the predictor variables on employee performance.

TABLE 8. Total Effect Analysis Results

No	Path of Influence	Total Effect	Rank
1	Talent Management (X₁) → Employee Performance (Y)	0,334	3
2	Competence (X₂) → Employee Performance (Y)	0,540	1
3	Work Motivation (X₃) → Employee Performance (Y)	0,414	2
4	Employee Retention (Z) → Employee Performance (Y)	0,248	4

The results of the total effect analysis show that the variables consisting of talent management, competence, work motivation, and employee retention all have a significant effect on the performance of Surabaya City Government employees. The total effect value shows the total effect of the predictor variable in increasing the response (in this case employee performance). The results of the total effect analysis conclude that in order to improve the performance of Surabaya City Government employees, the priorities from the highest to the lowest are competence, work motivation, talent management, and finally employee retention.

V. DISCUSSION

The results of testing the first hypothesis that talent management has a positive and significant effect on employee retention using SEM shows the coefficient of the influence of talent management on employee retention is positive and significant, so the research hypothesis which states that talent management has a positive and significant effect on retention in Surabaya City Government employees can be received. Thus it is proven that in Surabaya City Government employees, talent management factors have an important role in increasing employee retention, the better the implementation of talent management, the higher employee retention will be. The results of this study support previous research conducted by Hanum Aula Rahmawati (2019) which concluded that talent management has a positive and significant influence on PD employee retention. Lamongan Regional Bank BPR. The research stated that the more conducive the implementation of Talent Management, the more employee retention will be increased. The results of the contradictory research were presented by Muhamad Ekhsan and Muhamad Taopik (2020) who concluded that the Talent Management variable had no effect on Employee Retention of employees of PT Matahari Putra Prima, Tbk, so the hypothesis was rejected. The form of retention given by the Surabaya City Government to potential and qualified employees includes employees getting succession planning, getting clear career opportunities, promotion opportunities and opportunities to occupy key positions. Employees are also given awards and recognition for their achievements. In terms of income, employees are given compensation in the form of competitive income allowances according to the workload of each employee or class of position. The higher the workload and the assigned tasks, the higher the class of position given, the greater the TPP received by the employee. Thus, when employees are included in the talent management process, employees feel that they are being maintained, guarded, and cadreed by their agencies. Employees feel in a situation to stay and continue to contribute to the agency, and feel part of the agency.

The results of testing the second hypothesis that talent management has a positive and significant effect on employee performance show the coefficient of the influence of talent management on employee performance is positive and significant, so the research hypothesis which states that talent management has a positive and significant effect on the performance of Surabaya City Government employees, can be accepted. Thus it is proven that in Surabaya City Government

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employees, the application of talent management has an important role in improving employee performance, the better the application of talent management, the employee performance will also increase. This research is also supported by the research of Nidya Banuari, Yeni Absah, and Elisabet Siahaan (2021) who conclude that talent management has a positive and significant effect on the performance of employees of PT Bhanda Ghara Reksa Divre I Medan. This study contradicts the results of previous research conducted by Yeni Mengkuningtyas (2021) that talent management has no significant effect on the performance and career development of employees at the Indonesian Financial Management Agency (BPK). The practice of talent management in the Surabaya City Government has been accompanied by an objective and systematic employee performance measurement. Employee performance is not only assessed by direct supervisors or leaders through Employee Performance Targets (SKP) every 6 months, but also through e-Performance assessments every 3 months, where employee performance is assessed 360º, namely by leaders, subordinates and colleagues. As evidenced by this assessment system, employees are increasingly motivated and eager to improve their performance.

The results of testing the third hypothesis that competence has a positive and significant effect on employee retention show the coefficient of the influence of competence on employee retention is positive and significant, so the research hypothesis which states that competence has a positive and significant effect on employee retention in the Surabaya City Government, can be accepted. Thus it is proven that in Surabaya City Government employees, the competency factor has an important role in employee retention, the better the competencies possessed by an employee, the retention of these employees will also increase. This study supports previous research conducted by Safira Nurmitasari and Andriyani (2021) which concluded that the more skills and competencies possessed by employees through targeted training, according to the needs and goals of the company, the higher the level of employee engagement with the company for commitment to survive in the company. company. For potential employees (talent) the opportunity and opportunity to participate in competency development is given more broadly. Such as participation in internship programs abroad, employee exchanges between Sister City member countries, postgraduate scholarships, opportunities to attend workshops, in-house training, international seminars and the like. It is hoped that with increasing competence, of course, it will further support the performance of the agency.

The results of testing the fourth hypothesis are showing the coefficient of the influence of competence on employee performance is positive and significant, so the research hypothesis which states that competence has a positive and significant effect on the performance of Surabaya City Government employees, can be accepted. Thus it is proven that in Surabaya City Government employees, the competency factor has an important role in improving employee performance, the better the competence of an employee, the employee performance will also increase. The results of this study support previous research conducted by Marliana

Budhiningtias Winanti (2018) which concluded that there was a positive and significant influence of competence on the performance of PT. Frisian Flag Indonesia, West Java region. This means that employee competence stimulates the optimization of the formation of employee performance in working at PT. Frisian Flag Indonesia, West Java region. The performance appraisal system in the Surabaya City Government is not only carried out on a top-down basis or superior to subordinates. But using the 360-degree performance appraisal method where the performance appraisal involves many parties starting from superiors, partners, colleagues, and subordinates so that they are able to describe how the performance of the employee concerned is. Employee performance is not only assessed through Employee Performance Targets (SKP) every 6 months, but also through an e-Performance assessment every 3 months. With this performance appraisal system, the competence and performance of employees can be assessed more objectively and transparently. Employees with good competence are certainly more motivated and eager to improve their performance. In addition, the results of this study also support research conducted by (Herawati, Shihab, & Wardah, 2020) that the estimation results of the coefficient of the influence of competence on employee performance also show a significant effect, meaning that the higher the competence, the higher the employee's performance.

The results of testing the fifth hypothesis that work motivation has a positive and significant effect on employee retention show the coefficient of the effect of work motivation on employee retention is positive and significant, so the research hypothesis which states that work motivation has a positive and significant effect on employee retention in the Surabaya City Government, can be accepted. Thus it is proven that in Surabaya City Government employees, work motivation factors have an important role in increasing employee retention, the higher the work motivation of an employee, the employee retention will also increase. The results of this study support previous research conducted by Rifki Suwaji and Rina Indra Sabella (2019) which concluded that the work motivation variable had a positive and significant effect on employee retention at PT. Aerofood ACS Surabaya City. In the Surabaya City Government, motivation is given to employees, one of which is the provision of Additional Employee Income (TPP) and Performance Fees according to the class of position and workload of each employee. With additional income and Performance Fees, it is expected to increase employee retention by continuing to make positive contributions to the work unit or agency.

The results of testing the sixth hypothesis that work motivation has a positive and significant effect on employee performance show the coefficient of the influence of work motivation on employee performance is positive and significant, so the research hypothesis which states that work motivation has a positive and significant effect on the performance of Surabaya City Government employees, can be accepted. Thus it is proven that in Surabaya City Government employees, work motivation factors have an important role in improving employee performance, the higher the perceived work motivation of employees, the employee performance will

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also increase. The results of this study support the results of previous research conducted by Sudarijati and Bambang Setiawan (2019) which concluded that work motivation partially plays a significant role in the performance of PT. BDP. The Surabaya City Government has also taken steps to increase employee motivation, with the aim of further spurring employee performance. As previously explained, one of the motivations for career development in the Surabaya City Government is in the form of providing opportunities to participate in internship programs abroad, providing scholarships, and employee exchanges for competent and outstanding employees. Motivation is also given in the form of additional Employee Income (TPP) and Performance Fee, the value of which is adjusted to the workload and tasks assigned by each employee. The more duties and responsibilities carried out by employees, the higher the TPP and Performance Fees. The application of this method is expected to motivate and spur employees to give their best performance. In addition, the results of this study also support the results of research conducted by (Ardillah, Ridwan, & Retnaningsih, 2020) which shows that work motivation has a significant effect on employee performance, meaning that the higher work motivation at the Expedition Company in the Pabean Cantikan District, Surabaya, the higher the performance of the company. employees will also be higher, where work motivation greatly encourages employee enthusiasm for work, working together in teams will lead to maximum work results in accordance with company expectations.

The results of testing the seventh hypothesis, namely employee retention has a positive and significant effect on employee performance, showing the coefficient of the effect of employee retention on employee performance is positive and significant, so the research hypothesis which states that employee retention has a positive and significant effect on the performance of Surabaya City Government employees, can be accepted. Thus it is proven that in Surabaya City Government employees, employee retention factors have an important role in improving employee performance, the higher the retention received by employees, the employee performance will also increase. This study supports the research conducted by Murti Sumarni (2011) which concludes that Employee Retention has a positive and significant effect on employee performance at Rajawali Citra Hospital, Bantul. As previously stated, the efforts made by the Surabaya City Government in retaining its employees are carried out in various ways. Either through providing wider opportunities for self-development through continuous training, scholarships for higher education, as well as the provision of competitive allowances. The retention effort is an effort to improve employee performance.

VI. CONCLUSION

The causality analysis of the variables that have been carried out by researchers regarding the effect of applying Talent Management (X1), Competence (X2), Monkey Motivation (X3), Employee Retention (Z) and Employee Performance (Y) are known to have almost the same analysis results. From the results of research conducted by researchers, it can be concluded that the thesis is as follows:

1. There is a significant influence between the application of talent management on the retention of ASN employees of the Surabaya City Government. From this it is known that the application of talent management factors has an important role in increasing employee retention, the better the implementation of talent management, the higher employee retention will be. Employees who are involved in the talent management process have a sense that they are valued, cared for, and maintained by the organization or agency.

2. There is a significant influence between the application of talent management on the performance of the Surabaya City Government ASN. For employees of the Surabaya City Government, the application of talent management has an important role in improving employee performance, the better the implementation of talent management, the employee's performance will also increase.

3. There is a significant influence between competence on the retention of ASN employees of the Surabaya City Government. It is proven that in Surabaya City Government employees, the competency factor has an important role in employee retention, the better the competence possessed by an employee, the retention of these employees will also increase.

4. There is a significant influence between competence on the performance of the Surabaya City Government ASN. The better the competence of an employee, the employee's performance will also increase.

5. There is a significant influence between work motivation on the retention of ASN employees of the Surabaya City Government. Work motivation has an important role in increasing employee retention, the higher the work motivation of an employee, the employee retention will also increase.

6. There is a significant influence between work motivation on the performance of the Surabaya City Government ASN. Work motivation has an important role in improving employee performance, the higher the perceived work motivation of employees, the employee's performance will also increase.

7. There is a significant effect between employee retention on the performance of the Surabaya City Government ASN. This is evidenced by the provision of self-development opportunities and the provision of competitive incentives, further spurring employees to improve their performance.

Suggestion

Based on the conclusions made by the researchers and the results of the analysis obtained, several suggestions will be proposed that can be used as considerations for the Surabaya City Government agencies and other researchers as evaluation or further research. The suggestions that researchers can give are as follows:

1. Talent Management as a new approach in HR management to continuously improve and develop its application within the Surabaya City Government. The number of State Civil Apparatus (ASN) involved in talent mapping is even more and can represent all levels of positions in the Surabaya City

Government. According to current data, there are more ASN participating in talent mapping than Echelon IV, so in the future it must be more evenly distributed to all echelon levels starting from Echelon II, III, IV and Staff / Implementers.

2. The Surabaya City Government must really use the results of the talent management program as a basis and consideration for the placement of employees in target positions or key positions, as well as for planning employee career development programs. Don't just stop at competency mapping

3. It is hoped that other government agencies will also implement talent management in managing human resources, because from the research that has been done, talent management is good and has proven to have a positive impact on the organization.

4. It is hoped that there will be further and more in-depth research related to talent management in the Surabaya City Government, using other variables and raising new problems, with a more even number of respondents representing all levels of positions and work units..

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