

## ASSESSING HOW TALENT MANAGEMENT, KNOWLEDGE MANAGEMENT, AND PROFESSIONALISM AFFECT THE PERFORMANCE OF BANK X IN RIAU

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### Abstract

Human resources are widely regarded as a strategic asset that contributes to innovation, operational efficiency, and the development of sustainable competitive advantage within an organization. This study aims to examine the influence of talent management, knowledge management, and professionalism on employee performance at Bank X. The research adopts a quantitative approach with a saturated sample of 47 employees, and data were processed using SmartPLS 3 to assess the structural relationships among variables. The results show that talent management has a positive and significant effect on employee performance, indicating that systematic talent development, placement, and retention practices play a crucial role in enhancing employee outcomes. In contrast, knowledge management and professionalism do not demonstrate significant effects, suggesting that these variables may require stronger institutional support or mediating factors to influence performance. Overall, the findings emphasise the importance of strengthening talent management strategies to achieve organisational goals and improve banking performance.

**Keywords:** Talent Management, Knowledge Management, Professionalism, Employee Performance

### Abstrak

*Sumber daya manusia secara luas dianggap sebagai aset strategis yang berkontribusi pada inovasi, efisiensi operasional, dan pengembangan keunggulan kompetitif yang berkelanjutan dalam suatu organisasi. Penelitian ini bertujuan untuk mengkaji pengaruh manajemen talenta, manajemen pengetahuan, dan profesionalisme terhadap kinerja karyawan di Bank X. Penelitian ini mengadopsi pendekatan kuantitatif dengan sampel jenuh 47 karyawan, dan data diproses menggunakan SmartPLS 3 untuk menilai hubungan struktural antar variabel. Hasilnya menunjukkan bahwa manajemen talenta memiliki efek positif dan signifikan pada kinerja karyawan, menunjukkan bahwa praktik pengembangan, penempatan, dan retensi bakat yang sistematis memainkan peran penting dalam meningkatkan hasil karyawan. Sebaliknya, manajemen pengetahuan dan profesionalisme tidak menunjukkan efek yang signifikan, menunjukkan bahwa variabel ini mungkin memerlukan dukungan kelembagaan yang lebih kuat atau faktor mediasi untuk mempengaruhi kinerja. Secara keseluruhan, temuan ini menekankan pentingnya memperkuat strategi manajemen talenta untuk mencapai tujuan organisasi dan meningkatkan kinerja perbankan.*

**Kata kunci:** Manajemen Bakat, Manajemen Pengetahuan, Profesionalisme, Kinerja Karyawan

### Introduction

Technological advancement has significantly transformed human resource management (HRM) systems within modern organizations. Digital platforms now support

recruitment analytics, online training systems, and performance dashboards that enable HR processes to become faster, more efficient, and data-driven. This digital transformation strengthens HR analytics capabilities, allowing organizations to identify competency gaps, enhance employee development, improve retention, and promote sustainable performance improvement (Strohmeier, 2020; Sivakumar & Alex, 2025). Moreover, the adoption of people analytics and artificial intelligence within HR functions has been shown to support more accurate and performance-oriented strategic decision-making.

However, achieving sustainable organizational performance cannot rely solely on technological adoption. Organizations are still required to prioritize employee productivity through structured and continuous performance evaluation systems. Periodic performance appraisal enables organizations to monitor employee development, identify weaknesses, and formulate appropriate improvement strategies. In contemporary HRM literature, performance is understood as a multidimensional construct encompassing work outcomes, behaviours, competencies, and processes that support the achievement of organizational goals (Aguinis, 2019; Mantow & Nilasari, 2022). Therefore, the utilization of digital technology in performance management systems must be complemented by HR strategies that holistically optimize employee potential.

One strategic approach to identifying and developing employee potential is talent management, which has emerged as a central pillar in human resource management, particularly within increasingly competitive business environments. Talent management represents a systematic approach to identifying, developing, positioning, and retaining high-potential individuals who contribute to organizational success. Digital transformation has reinforced talent management practices through talent analytics, competency mapping, succession planning, and more targeted, data-driven employee development programs (Sparrow et al., 2014). Numerous studies indicate that organizations implementing strategic talent management tend to achieve higher levels of employee performance and productivity (Singh & Gupta, 2020).

In addition to talent management, knowledge management plays a crucial role in enhancing performance quality, decision-making, innovation, and overall organizational performance. Knowledge management encompasses processes related to the acquisition, storage, sharing, and utilization of knowledge within organizations. Recent empirical studies demonstrate that effective knowledge management practices positively influence employee performance and innovative work behaviour, while also improving operational efficiency (Kianto et al., 2017; Isdiani & Tania, 2024). Furthermore, the institutionalization of

organizational knowledge enhances resilience against the risk of knowledge loss resulting from high employee turnover (Durst & Edvardsson, 2012).

Professionalism also constitutes a critical dimension of HRM, reflecting employees' values, ethics, competencies, and work behaviours. Professionalism contributes to increased trust, service quality, and long-term organizational performance (Freidson, 2001; Noordegraaf, 2016). Employees who demonstrate integrity, responsibility, and a commitment to continuous learning are more capable of leveraging talent management and knowledge management systems effectively, particularly within increasingly digitalized work environments. Based on the foregoing discussion, the research problem can be formulated as follows: how do talent management, knowledge management, and professionalism influence employee performance within the context of sustainable organizational performance, which requires integrated HR strategies that extend beyond technological advancement and incorporate strategic human resource practices?

Recent empirical evidence further reinforces that talent management and knowledge management not only exert partial effects but also complement each other in enhancing employee performance. Organizations that simultaneously integrate these HR strategies have been shown to achieve higher levels of effectiveness and productivity compared to those managing them in isolation (Mantow & Nilasari, 2022; Singh & Gupta, 2020). Nevertheless, the effectiveness of such integration is highly contingent upon the level of employee professionalism in fulfilling roles and responsibilities.

Accordingly, this study aims to explore the strategic role of talent management practices, knowledge management, and human resource professionalism in supporting employee performance improvement as part of strengthening HRM within organizations. Within the HRM context, these three dimensions are viewed as key elements in managing human resources oriented toward competency development, the formation of professional work behaviour, and the optimization of organizational knowledge utilization to achieve sustainable performance.

The findings of this study are expected to provide both conceptual and empirical foundations for the formulation of HR policies and practices that are more adaptive to organizational dynamics and modern work environments. Empirical studies examining the simultaneous effects of these dimensions on employee performance remain relatively limited. Therefore, this research is essential to comprehensively investigate how talent management, knowledge management, and professionalism contribute to employee performance and support sustainable organizational performance. The results are anticipated to offer theoretical

contributions to the development of HRM literature, as well as practical and policy-relevant insights for organizations in designing adaptive and performance-oriented HR strategies in the digital era

## Literature Review

### Employee Performance

Employee performance is widely recognised as a critical determinant of organizational effectiveness because it reflects the extent to which employees execute their tasks in alignment with strategic goals. Contemporary management literature emphasises that performance is not merely the completion of tasks, but also includes the behaviours, competencies, and processes demonstrated throughout the work cycle. Performance therefore encompasses both the results achieved and the manner in which those results are produced, making it a multidimensional construct integrating task execution, behavioural attributes, and contextual contributions (Armstrong, 2020). Employee performance is often assessed through multiple dimensions to capture the complexity of workplace contributions. A widely adopted framework developed by Koopmans et al. (2014) identifies five major indicators of employee performance:

1. Quality of Work.

This dimension reflects the accuracy, thoroughness, and reliability of an employee's output. High-quality work signals strong competence, mastery of job requirements, and attention to detail.

2. Efficiency.

Efficiency refers to an employee's ability to utilise resources such as time, tools, and information in an optimal manner. Efficient employees minimise waste and demonstrate the capacity to streamline work processes (Koopmans et al., 2014).

3. Timeliness.

Timeliness captures the employee's ability to complete tasks within designated deadlines. It ensures continuity of workflow, reduces delays, and strengthens organizational productivity.

4. Teamwork.

This indicator reflects an employee's ability to collaborate, communicate effectively, support colleagues, and work harmoniously within a group. Strong teamwork enhances synergy and reduces operational conflict

5. Achievement of Targets.

This dimension assesses the extent to which employees meet performance goals, deadlines, or key performance indicators (KPIs). The achievement of targets demonstrates motivation, commitment, and alignment with organizational priorities.

Together, these indicators provide a comprehensive and holistic evaluation of employee performance, integrating task-related, behavioural, and interpersonal components. Such an approach allows organizations to measure performance more accurately and formulate strategies to enhance workforce effectiveness.

Employee performance is shaped by a variety of internal and external factors. As argued in mainstream organizational behaviour literature, performance depends not only on individual traits but also on job design, organizational context, and HR systems (Robbins & Judge, 2022). The following factors supported by empirical studies are commonly cited as influential in determining employee performance:

1. Human Resource Practices.

HR practices such as training and development, career planning, performance appraisal, and structured talent management have a direct impact on employees' skills, motivation, clarity of expectations, and commitment. Well-designed HR systems create conditions that enable employees to perform at their best (Armstrong, 2020).

2. Knowledge Management.

Access to relevant knowledge and the organization's capacity to capture, share, and apply that knowledge contributes to better decision-making, improved problem-solving, innovation, and higher work quality. Knowledge-management systems help employees leverage organizational knowledge, thereby enhancing performance (Kianto, Vanhala & Heilmann, 2016).

3. Professionalism (Work Ethic and Professional Conduct). Professional attitudes including responsibility, discipline, ethical behaviour, commitment to standards, and consistent work conduct provide a foundation for reliable performance. Employees who internalize professional values tend to deliver more stable and high-quality output (Freidson, 2001).

4. Work Motivation.

Motivation whether intrinsic (e.g., personal growth, satisfaction) or extrinsic (e.g., rewards, recognition) significantly affects the intensity, direction, and persistence of employee behaviour. Motivated employees generally demonstrate higher productivity, better quality of work, and resilience in face of challenges (Deci & Ryan, 2000; Robbins & Judge, 2022).

## 5. Organizational Culture and Work Environment.

A supportive organizational culture that fosters trust, open communication, shared values, and psychological safety enhances employee engagement, innovation, and collaboration. A positive work environment reduces stress and enables employees to focus on their tasks and perform optimally (Schein, 2010).

## 6. Leadership.

Effective leadership which provides clear vision, guidance, support, and empowerment influences employee morale, commitment, clarity of expectations, and overall performance. Leaders serve as role models, shape organizational norms, and facilitate teamwork and motivation, thereby having a direct effect on performance (Northouse, 2021).

In summary, employee performance is a multidimensional construct influenced by a combination of organizational practices, individual attributes, motivational factors, environmental conditions, and leadership. An integrated approach that addresses these dimensions tends to yield more sustainable performance improvements than focusing on any single factor in isolation.

## Talent Management

Talent management refers to a set of strategic practices aimed at attracting, developing, motivating, and retaining talented employees capable of supporting organizational success. Prior studies show that talent management significantly enhances employees' skills and knowledge, enabling them to contribute more effectively to organizational objectives (Marhuri & Karneli, 2023). A bibliometric review by Purnandika and Fazri (2023) further confirms a strong and positive relationship between talent management practices and employee performance. Similarly, recent HRM literature emphasizes that effective talent management increases motivation, commitment, and performance by aligning employee capabilities with organizational goals (Rismayadi, 2023).

In addition, Zunaidah (2020) highlights at least six key indicators of talent management. First, *workforce planning* involves defining objectives and determining strategies to achieve them by anticipating future needs and uncertainties. Second, *recruitment* refers to identifying, evaluating, and selecting qualified potential candidates, serving as a critical HRM function. Third, *selection* aims to choose the most competent candidates based on organizational competency requirements. Fourth, *coaching and mentoring* provide continuous guidance to support professional development and maximize employee potential. Fifth, *performance*

*management* is an ongoing process of setting expectations, evaluating outcomes, and aligning employee performance with organizational strategy. Finally, *compensation and recognition* include financial and non-financial rewards designed to motivate employees, enhance job satisfaction, and retain high-performing talent.

## Knowledge Management

Knowledge management refers to a systematic approach to identifying, creating, storing, sharing, and utilizing organizational knowledge so that individuals and the organization as a whole can perform optimally (Adman et al., 2023; Khaerana, 2022). Effective KM enhances creativity, collaboration, learning, and access to relevant information all of which contribute to improved employee performance (Nurhayati & Pitaloka, 2024; Darmawan et al., 2022). Empirical evidence consistently shows that well-implemented knowledge management practices have a significant positive impact on individual and organizational performance (Khaerana, 2022; Adman et al., 2023). In the literature, several core components or stages of knowledge management are frequently identified. These include:

1. Knowledge creation/person-level knowledge generating new knowledge internally, whether tacit or explicit, through activities like research, experience sharing, or collaboration. This aligns with the “creation” or “personal knowledge” dimension often cited in KM frameworks (Rayeb, Maimunah & Aprianah, 2020; general KM theory).
2. Knowledge acquisition/capture obtaining knowledge from various internal or external sources, such as experts, documentation, training, or external partners (KM process definitions).
3. Knowledge transfer or sharing disseminating knowledge across individuals or groups within the organization, via mentoring, training, meetings, or IT-based systems such that tacit or explicit knowledge becomes accessible broadly (Setiawan, 2023; KM process descriptions).
4. Knowledge utilization/application applying acquired or shared knowledge in operational tasks, decision-making, innovation, problem-solving, or improving business processes; ensuring knowledge translates into performance outcomes (KM conceptualizations).

By integrating these elements, KM becomes more than just storing information it becomes a dynamic organizational capability that fosters learning, innovation, and performance. Hence, knowledge management should be viewed as a strategic organizational process not merely as

documentation or data archiving but as an enabler of continuous learning, collaboration, adaptability, and improved performance at both individual and organizational levels.

## Professionalism

Professionalism refers to the attitudes, values, and behaviours that reflect adherence to ethical standards, responsibility, and commitment to delivering high-quality work. Employees who demonstrate higher professionalism typically show stronger discipline, accountability, and motivation to achieve optimal performance outcomes (Arwani, 2022). Studies in various sectors including education and healthcare have shown that professionalism positively and significantly influences employee and student performance. For example, Mawardi et al. (2022) found that professionalism significantly improves lecturers' performance in higher education, while Al-Mahdi and Shamsuddin (2020) demonstrated that professional behaviour enhances work quality and overall performance among healthcare personnel. Professional employees also tend to gain greater trust and respect from peers and supervisors, further strengthening their motivation and job performance (Arwani, 2022). Suryani (2021) outlines several indicators of professionalism:

1. Proficiency in Using Office Equipment.

Proficiency encompasses the skills and competencies gained through experience and education. It reflects one's ability to operate office equipment, perform tasks effectively, and demonstrate technical capability in daily work activities.

2. Readiness

Readiness is reflected in the ability to provide necessary services, deliver accurate information, and respond promptly to client needs. It includes preparedness in carrying out assigned tasks, roles, and responsibilities.

3. Responsibility in Service

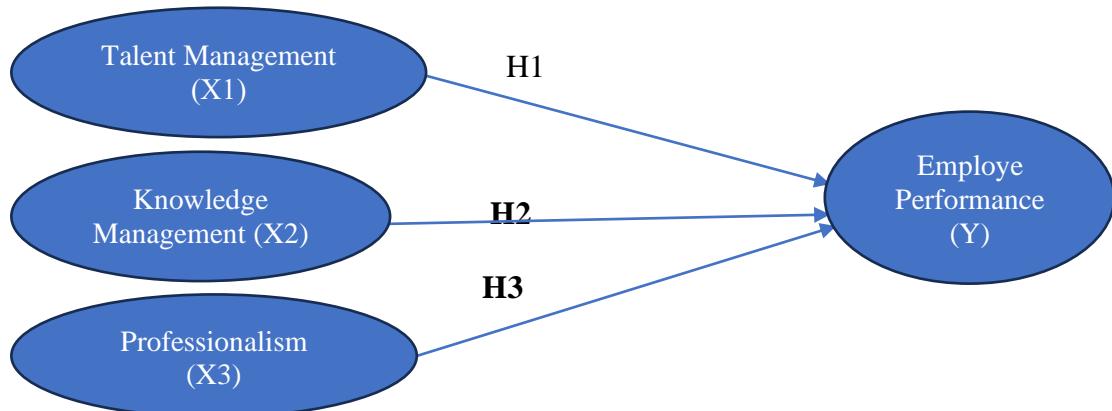
Responsibility refers to accountability in delivering public or organizational services. It requires employees to perform duties based on trust, transparency, and ethical considerations.

4. Employee Attitude.

Employee attitude represents the level of enthusiasm, motivation, and positivity an employee demonstrates toward job responsibilities, colleagues, management, and the organization. A positive attitude fosters better service quality and performance.

## Hypothesis

The framework of the aforementioned hypothesis can be depicted as follows.



**Figure 1.** The Hypothesis Framework

### Talent Management and Employee Performance

In highly competitive sectors such as banking, talent management plays a crucial role in ensuring that employees possess the skills and motivation needed to meet organisational goals, as evidenced in private sector banks where talent attraction, development, and retention have been shown to significantly enhance organisational performance (Jain & Sharma, 2024). Empirical findings also confirm that talent management contributes directly to employee engagement, motivation, and performance in commercial banks, demonstrating its strategic importance in maintaining workforce productivity (Shrestha, 2024). Further evidence from the Bangladeshi banking industry reveals that well-implemented talent management practices particularly in employee development and retention significantly improve employee performance outcomes (Tazin & Hakim, 2022). When banking institutions align talent strategies with broader organisational objectives, they not only enhance operational efficiency but also build a sustainable competitive advantage through a capable and motivated workforce.

**Hypothesis 1 (H1):** Talent management has a positive and significant effect on employee performance.

### Knowledge Management and Employee Performance

In banking where accuracy, speed, and regulatory compliance are essential effective knowledge management (KM) systems can help reduce errors, improve customer service, and enhance productivity (Yudial, Mardiana & Firdaus, 2025). Yet empirical evidence on the KM-

performance link is mixed. Some studies report a direct, positive association between KM practices and employee performance: for instance, research at PT Bank Rakyat Indonesia (Bandar Lampung branch) found that KM significantly improves employee performance. However, other studies suggest that KM's impact on performance may operate indirectly: for example, data from commercial banks in Yemen show that KM influences job performance primarily through increased job satisfaction (Almuayad & Chen, 2024). Similarly, a service-sector study in Saudi Arabia found that while some KM processes (e.g., knowledge creation, capture, application) strongly affect organizational performance, knowledge sharing alone did not yield a statistically significant impact (Al-Shbail et al., 2020). These mixed results imply that the effectiveness of KM depends heavily on contextual factors such as the organisation's learning culture, the integration of supportive systems (technology, leadership), and employee readiness to engage in knowledge activities.

**Hypothesis 2 (H2):** Knowledge management has a positive and significant effect on employee performance.

### **Professionalism and Employee Performance**

Professionalism defined as adherence to competence, ethical conduct, accountability, and consistency in work practices has been shown to influence employee performance across a variety of organizational contexts (Purwantini, Juwaini & Rahim, 2023; Harindrayana et al., 2023). In many institutions, employees with higher levels of professionalism tend to demonstrate more reliable work output, greater commitment, and stronger performance metrics (Arfani, 2024). Some studies find that professionalism positively affects performance directly (Parameswari, Tholok & Pujiarti, 2020; Gunawan & Zaini, 2023), while others suggest that the effect may be mediated or moderated by other factors such as motivation, competence, or organisational environment (Magister & Putri, 2024; Halim, Ramadhan & Yeni, 2025). These findings suggest that while professionalism is an important antecedent of performance, its impact is often contingent optimal performance tends to arise when professionalism is supported by adequate competence, discipline, and supportive organizational systems.

**Hypothesis 3 (H3):** Professionalism has a positive and significant effect on employee performance.

### **Research Method**

This study examines the impact of talent management, knowledge management, and professionalism on employee performance within the Human Resource Management Division of Bank X. The choice of this division is predicated on its key function in overseeing human

resources. This division was chosen due to its pivotal function in overseeing human resources. By engaging all 47 employees as participants through a saturated sampling technique. The study methodology employed involves data acquisition using a questionnaire utilizing a Likert scale. This scale was selected as it enables respondents to evaluate the many facets under investigation with differing levels of agreement. The acquired data was subsequently analyzed utilizing Smart PLS software, selected for its capacity to evaluate intricate models and datasets with comparatively little samples. Utilizing Smart PLS enables researchers to discern substantial correlations between variables and their indicators.

## Results And Discussion

### Respondent Characteristics

This section presents the identify data of respondents to outline their characteristics in the survey. The participants in this study are categorized according to gender, age, highest level of education, duration of employment, and employment status, as illustrated in Table 1.

**Table 1.** Characteristics of Respondents

Respondents' characteristics	Number of Respondents	Percentage %
<b>Gender</b>		
Men	26	56,3%
Women	21	43,8%
<b>Last Education</b>		
High School	11	22,9%
Diploma	2	4,2%
S1	31	66,7%
S2	2	4,2%
S3	1	2,1%
<b>Length of Service</b>		
≤ 1 Year	9	18,8%
± 5 Years	26	56,3%
± 10 Years	8	16,75
≥ 15 Years	4	8,3%
<b>Employee Status</b>		
Stay tuned	38	85,11%
Contract	9	14,89%

Source: Processed Data, 2024

The demographic characteristics of the respondents in this study are detailed in Table 1. The information is categorized according to gender, educational attainment, duration of employment, and employment status. A significant portion of the respondents identified as male, accounting for 56.3%, whereas females represented 43.8% of the total respondents. A

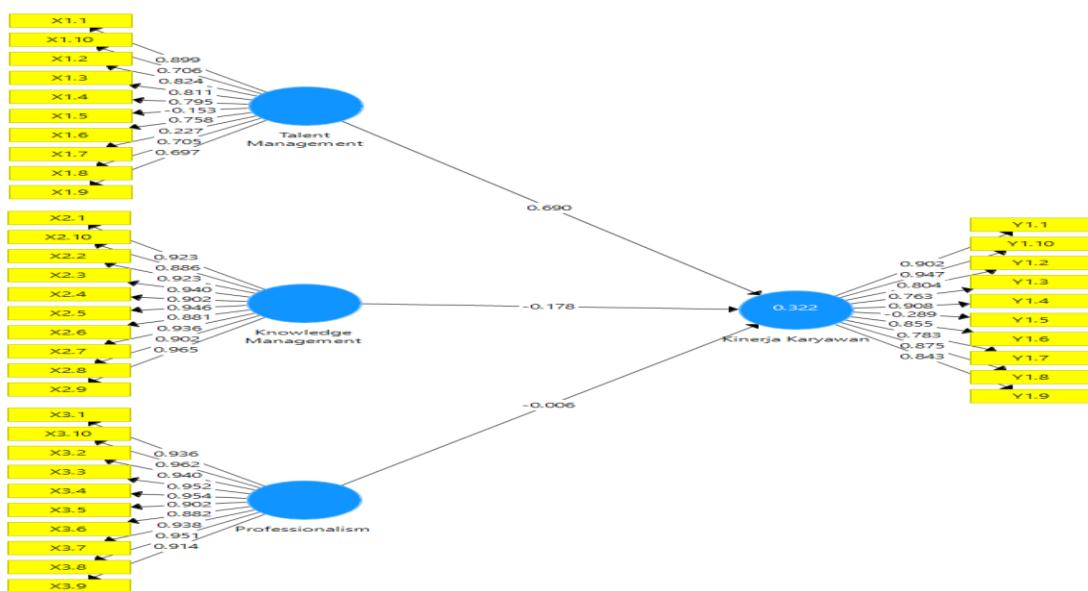
significant portion of respondents holds an undergraduate education background, accounting for 66.7%, while those with a high school education make up 22.9% of the total. A limited proportion of respondents held a Diploma (4.2%), Master's degree (4.2%), and Doctoral degree (2.1%). A significant portion of respondents, specifically 56.3%, report having approximately 5 years of working service at Bank X. Additionally, 18.8% of participants report a tenure worker of one year or less, 16.7% have approximately 10 years of experience, and 8.3% have a tenure of 15 years or more. A significant portion of the respondents consists of permanent employees, accounting for 85.11%, whereas contract employees make up the remaining 14.89%.

### Measurement Model Analysis (Outer Model)

The measuring model (outer model) assesses the validity and reliability of the constructs (latent variables) evaluated in the investigation.

#### a) Convergent Validity

Convergent validity assesses the degree to which items within a construct exhibit strong intercorrelation. A high cross-loading value exceeds 0.7 (Santosa, 2018). Santosa (2018) indicates that the cross-loading value to be employed is 0.5. Consequently, items exhibiting a cross loading value below 0.5 will be omitted from subsequent analysis.



**Figure 2.** Path diagram view

The Smart PLS processing findings, as indicated in the table above, demonstrate that all significant cross-loading elements exceed 0.7 within their respective constructions. This

signifies that these items reliably assess the same construct, so satisfying the criteria for convergent validity.

### b) Discriminant Validity

Discriminant validity refers to the extent to which a construct is truly distinct from other constructs in a model (Fornell & Larcker, 1981). A model demonstrates good discriminant validity when a construct shares more variance with its own indicators than with other constructs. One common method to assess this is by comparing the square root of the Average Variance Extracted (AVE) with the inter-construct correlations known as the Fornell Larcker criterion (Hair et al., 2021).

**Table 3.** Cross Factor Loadings

Latent Variable	Performance Employees	Knowledge Management	Professionalism	Talent Management
TM	0.855			
KM	0.357	0.926		
PM	-0.165	-0.414	0.934	
KK	0.525	0.565	-0.217	0.896

Source: Processed data, 2024

The results indicate that the AVE value for each construct exceeds its MSV value, and the cross-loading value for each item is greater with its own construct than with other constructs. This indicates that each construct is significantly distinct from the others, thereby demonstrating that the discriminant validity criterion exceeds the MSV value.

### c) Composite Reliability

The assessment of reliability can be established through a composite reliability value exceeding 0.7. According to Santosa (2018), a composite reliability value of 0.6 is acceptable in research. The reliability of the construct can also be assessed using Cronbach's alpha test.

**Table 4.** Composite Reliability

Latent Variable	Composite Reability	Cronbach's Alpha
Employee Performance	0.960	0.954
Talent Management	0.982	0.979
Knowledge Management	0.985	0.984
Professionalism	0.942	0.918

Source: Processed data, 2024

The composite reliability and Cronbach's alpha values for all constructs exceed 0.7, demonstrating high internal consistency.

#### d) Average Variance Extracted (AVE)

In confirmatory factor analysis, a high average variance extracted (AVE) value, specifically 0.5 or above, signifies that the construct demonstrates strong convergent validity, indicating that a substantial portion of the variance in the construct is accounted for by its indicators.

**Table 5.** Average Variance Extracted

Latent Variable	Average Variance Extracted
Employee Performance	0.730
Talent Management	0.858
Knowledge Management	0.872
Professionalism	0.804

Source: Processed data, 2024

The AVE values for all variables exceed 0.5, as indicated in the table above. The items account for the majority of the variance in the construct.

### Structural Model Analysis (Inner Model)

#### a) R-Square

The evaluation of the structural model, or inner model, is conducted by examining the R Square value of the dependent latent construct, indicating the percentage of variance explained by the independent variables. The R Square value is classified as strong (0.75), moderate (0.50), or weak (0.25) according to the criteria established by Santosa (2018). The R Square value of the test results is presented in the table below.

**Table 6.** R Square

Latent Variable	R Square
Employee Performance	0.259

Source: Processed data, 2024

The R Square value of 0.259 signifies that 25.9% of the variation in employee performance is accounted for by the independent variables in the research model (Talent Management, Knowledge Management, and Professionalism), while the remaining variation is influenced by external factors not included in the model.

#### b). F-Square

The F Square value in this Smart PLS analysis indicates the extent of the impact of each independent variable on the dependent variable. A table of F Square values is presented below.

**Table 7.** F-Square

Latent Variable	Employee Performance
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Employee Performance	
Knowledge Management	0.003
Professionalism	0.000
Talent Management	0.198

Source: Processed data, 2024

The table above presents the following results: Knowledge management (0.003) demonstrates a negligible impact on employee performance. An enhancement in knowledge management is unlikely to substantially elevate employee performance. Professionalism has no significant impact on employee performance. An enhancement in professionalism will not affect employee performance. Talent management demonstrates a significant impact on employee performance. Enhancements in talent management will markedly enhance employee performance.

#### Hypothesis Testing T Statistics

Assess the significance value or statistical t-test by examining the path coefficient value derived from the test results using Partial Least Squares (PLS) with bootstrapping calculations, as outlined by Santosa (2018).

**Table 8.** Path Coefficients (T Statistic, P Values, Hypothesis, Results)

Variables	T Statistics	P Values	Hypothesis	Results
Latent	( O/STDEV )			
Talent Management -> Employee Performance	2.658	0.008	Accepted	Significant
Knowledge Management -> Employee Performance	0.436	0.663	Rejected	No Significant
Professionalism -> Employee Performance	0.170	0.865	Rejected	No Significant

Source: Processed data, 2024.

Hypothesis testing was conducted using the bootstrapping procedure in PLS-SEM analysis to assess the significance of the relationships between the independent variables and the dependent variable. The significance criteria were set at a *t-statistic* value greater than 1.96 and a *p-value* less than 0.05.

#### H1: The Effect of Talent Management on Employee Performance

The results indicate that Talent Management (TM) has a significant effect on Employee Performance, with a *t-statistic* value of 2.658 and a *p-value* of 0.008. Therefore, H1 is accepted, indicating that talent management practices have a positive and significant influence on employee performance.

## **H2: The Effect of Knowledge Management on Employee Performance**

The results show that Knowledge Management (KM) does not have a significant effect on Employee Performance, as indicated by a *t-statistic* value of 0.436 and a *p-value* of 0.663. Consequently, H2 is rejected, suggesting that knowledge management does not have a direct significant effect on employee performance.

## **H3: The Effect of Professionalism on Employee Performance**

The analysis also reveals that Professionalism does not have a significant effect on Employee Performance, with a *t-statistic* value of 0.170 and a *p-value* of 0.865. Thus, H3 is rejected.

Based on the hypothesis testing results, it can be observed that:

### 1. Talent Management and Employee Performance

The findings indicate that Talent Management (TM) has a positive and statistically significant effect on employee performance. This result suggests that the systematic implementation of TM practices such as competency-based recruitment, training and development, performance appraisal, career development, and employee retention strategies contribute to improved employee productivity and work effectiveness. These practices enable organizations to better align individual competencies with job requirements while fostering employee engagement and sustained motivation. This finding is consistent with prior empirical studies conducted in comparable organizational contexts (Marhuri & Karneli, 2023; Yusuf et al., 2023). Marhuri and Karneli (2023) demonstrated that TM enhances employee performance through the strengthening of employee self-efficacy, while Yusuf et al. (2023) found that the positive influence of TM on performance remains robust even when workforce agility is taken into account. Furthermore, recent bibliometric evidence indicates a growing scholarly consensus that TM constitutes a critical factor in driving individual and organizational performance outcomes (Purnandika & Fazri, 2023). Overall, the results of this study reinforce the view that TM represents a strategic component of human resource management, particularly in supporting competency development, enhancing employee engagement, and contributing to the achievement of sustainable competitive advantage.

## 2. Knowledge Management and Employee Performance

The results reveal that Knowledge Management (KM) does not have a statistically significant effect on employee performance. This finding indicates that although KM encompasses key organizational processes such as knowledge creation, storage, sharing, and application (King, 2009; Wang & Wang, 2012) its impact on employee performance may not be direct or immediate. This result is in line with the findings of Al-Shbail et al. (2020), who reported a non-significant relationship between KM practices and employee performance in the Jordanian banking sector. Similarly, earlier studies have shown that KM contributes to performance primarily through indirect mechanisms, such as technological capability, knowledge-sharing culture, and managerial support (Seleim & Khalil, 2011; Mills & Smith, 2011). In the context of the present study, the absence of a significant effect may reflect limitations in supporting infrastructure, insufficient employee readiness to leverage organizational knowledge, or weak integration of KM initiatives into daily operational routines. Therefore, these findings suggest that KM functions more effectively as a strategic enabler rather than a direct determinant of employee performance, exerting its influence through mediating or moderating organizational factors.

## 3. Professionalism and Employee Performance

The findings further indicate that professionalism does not have a statistically significant effect on employee performance. This result supports previous research suggesting that professionalism is more strongly associated with work attitudes and behavioural orientations than with direct performance outcomes, particularly in organizational contexts characterized by limited structural or managerial support (Weng et al., 2010). Additionally, prior studies have distinguished between task performance and contextual performance, noting that professionalism tends to exert a stronger influence on the latter (Sackett & Lievens, 2008). Research by Kalbers and Cenker (2008) and Noordegraaf (2016) further emphasizes that professional values such as ethical conduct, accountability, and quality orientation require alignment with organizational systems, including reward mechanisms, leadership practices, and job design, in order to be translated into measurable performance outcomes. Accordingly, the non-significant relationship observed in this study may indicate that other contextual factors, such as organizational culture, performance evaluation systems, or leadership styles, play a more dominant role in shaping employee performance than professionalism alone within the examined organizational setting.

## Conclusions

This study investigates the effects of talent management, knowledge management, and professionalism on employee performance in the banking sector using a PLS approach. The findings demonstrate that talent management has a significant positive effect on employee performance, indicating that structured practices such as competency-based recruitment, training and development, performance appraisal, career planning, and retention strategies play a crucial role in enhancing employee productivity and effectiveness. In contrast, knowledge management and professionalism do not show a significant direct influence on employee performance, suggesting that their contribution is more contextual and indirect in nature.

From a theoretical perspective, these results contribute to the human resource management literature by reinforcing the view that not all HR practices exert a direct effect on performance outcomes. While talent management functions as a primary strategic driver of employee performance, knowledge management and professionalism appear to operate as enabling mechanisms whose effectiveness depends on organizational conditions, including leadership support, cultural alignment, and system integration. This finding supports contingency-based perspectives in HRM, which emphasize the importance of contextual fit in determining performance outcomes.

From a managerial perspective, the findings imply that organizations, particularly in the banking industry, should prioritize talent management as a core HR strategy to achieve sustainable performance. Managers are encouraged to invest in systematic talent identification, development, and retention programs to ensure optimal alignment between employee capabilities and organizational goals. At the same time, knowledge management initiatives and professional standards should not be treated as standalone systems but should be embedded within daily work processes, supported by appropriate leadership practices, incentive structures, and performance management systems to enhance their practical impact.

Despite its contributions, this study is limited by its cross-sectional design and focus on a single organizational context. Future research is recommended to adopt longitudinal approaches, expand the scope to multiple organizations or industries, and incorporate additional contextual variables such as organizational culture, leadership style, and compensation systems. Such efforts would provide a more comprehensive understanding of how integrated human resource management practices contribute to employee performance and long-term organizational sustainability.

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