



# Leveraging Talent for a Sustainable Future: A Multidisciplinary Examination of Public Sector Talent Management Strategies

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## Abstract

High-performing individuals are crucial for organizational success. This study examines talent management in the Indonesian public sector, revealing a significant gap between the competency needs of organizations and the availability of suitable talent. Key challenges include the difficulty of recruiting and retaining highly qualified personnel due to budgetary constraints and uncompetitive compensation policies compared to the private sector. Additionally, career development is hindered by a lack of leadership commitment and inadequate follow-up on assessment outcomes. This research explores the challenges and opportunities in implementing public sector talent management and formulating effective strategies. The methodology employed is a Systematic Literature Review (SLR) involving identifying, evaluating, and interpreting literature from various research reports and scholarly journals. The findings underscore the critical role of innovative and labour market-responsive talent management practices in enhancing organizational performance. The primary challenges lie in the misalignment of talent management policies with public sector needs and resource and policy support limitations. In conclusion, the public sector must cultivate tailored talent management strategies aligned with the local context and advocate for more flexible policies to optimize organizational performance. These insights are intended to guide policymakers and practitioners in improving talent management effectiveness in Indonesia's public sector.

**Keywords** *Talent Management, Talent Practices, Public Sector, Organizational Performance, Systematic Literature Review*

## INTRODUCTION

Organizational performance is a fundamental element in organizational management, both in the private and public sectors. It guides direction and measures the effectiveness of achieving organizational goals. Talent management practices involve implementing systems to enhance productivity by recruiting, retaining, developing, and utilizing individuals with essential skills to meet current or future organizational needs. Public organizations view employees as valuable assets. Therefore, it is essential to manage them professionally with appropriate strategies, considering their talents and competencies.

The Indonesian government reinforces talent management through specific legislation. The administration of talent management is governed by two regulations derived from Law Number 5 of 2014: Government Regulation (PP) Number 11 of 2017 on Civil Servant Management, amended by PP Number 17 of 2020 (Civil Servant Management PP), and the Regulation of the Minister of Administrative and Bureaucratic Reform (PANRB) Number 3 of 2020 on Civil Servant Talent Management (PANRB Talent Management Regulation). The scope of these regulations includes National Civil Servant Talent Management and Institutional Civil Servant Talent Management. The Secretariat Cabinet of the Republic of Indonesia (2024) outlines the administration of national and institutional civil servant talent management as follows: (1) Talent Acquisition, (2) Talent Development, (3) Talent Retention, (4) Talent Placement, and (5) Monitoring and Evaluation. As of now, according to the release by the Civil Service Commission in

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2023, the administration of talent management at the institutional level includes 633 government agencies, but 22 government agencies have been approved to fill senior leadership positions through the talent management mechanism, with details as follows.

**Table 1.** List of Authorized Government Agencies

|   |             |  |
|---|-------------|--|
| The government have already completed the process | 13 agencies | Ministry of State Owned Enterprises, Ministry of Law and Human Rights, Ministry of Marine Affairs and Fisheries, Ministry of Finance, Financial and Development Supervisory Agency, Food and Drug Monitoring Agency, National Institute of Public Administration, Constitutional Court, West Java Provincial Government, Central Java Provincial Government, Bandung City Government, Tangerang City Government, Sumedang Regency Government |
| Ready to go                                       | 9 agencies  | Ministry of Home Affairs, Ministry of Secretariat of State, Agency for the Assessment of Civil Servants, Bali Provincial Government, Badung Regency Government, Sleman Regency Government, Bogor City Government, Karawang Regency Government, Pangandaran Regency Government  |

Data Source: Processed by Researcher

Although several relevant studies on talent management have been found, most still focus on non-public organizations. For instance, [Battisti et al. \(2022\)](#) highlight the role of talent management in developing countries and link it to company performance, noting the complexity across various countries studied. [Kravariti et al. \(2021\)](#) emphasize the role of talent management in the hospitality and tourism sector and connect it to their strategies for nurturing talent.

[Sudrajad \(2022\)](#) highlights key challenges in civil servant talent management, focusing on career development issues. The main barriers are (i) Lack of leadership commitment and (ii) Inadequate follow-up on assessment results, reflecting weaknesses in the merit system, particularly in analyzing competency and performance gaps. To address these, public organizations need a more innovative approach, including improved recruitment, comprehensive training programs, and revised salary policies, to better utilize human resources and enhance service quality. [Diniati et al. \(2018\)](#) reinforce this perspective by asserting that focusing talent management on cultivating high-performing civil servants (ASN) prepared for public service reform substantially affects achieving organizational objectives. Based on these findings, it is clear to the researcher that reviews on talent management in the public sector are still limited. Therefore, this study aims to provide a descriptive analysis of the implementation of talent management in Indonesia's public sector through an in-depth literature review.

## LITERATURE REVIEW

### Talent Management Concept

Talent management practices consist of strategic HR processes aimed at attracting, developing, and retaining skilled individuals within an organization ([Lewis & Heckman, 2006](#)). These practices are essential for boosting talent performance and gaining a competitive edge ([Al-Rawashdeh, 2020](#)). Effective talent management includes activities such as talent acquisition, identification, and retention, designed to cultivate and develop individuals with valuable skills and expertise ([Kajwang, 2022](#)). Moreover, talent management strategies need to be aligned with organizational goals and culture to ensure effectiveness and sustainable human resources ([Khalil](#)

et al., 2022; Kandukuri, 2023). Therefore, talent management practices are essential for organizations to attract, develop, and retain skilled individuals, ultimately contributing to organizational success and competitiveness. Organizations can effectively manage their talent pools and achieve sustainable performance by aligning talent management strategies with organizational objectives, promoting a culture of growth and development, and recognizing individual and cultural differences.

### **Antecedents of Talent Management**

The background of talent management practices encompasses various factors that influence the implementation and effectiveness of talent management strategies within organizations. One of the primary antecedents identified in the literature is organizational culture, talent management infrastructure, and internal communication (Chodorek et al., 2020). These elements play a vital role in creating a conducive environment for talent management practices and fostering the development and retention of talented individuals within the organization. Additionally, the connection between talent management practices and employee engagement has been highlighted as a crucial element impacting organizational effectiveness (Ali et al., 2019). Overall, these antecedents highlight the multifaceted nature of talent management practices and the significance of elements like organizational culture, leadership mindset, emotional intelligence, and employee engagement in determining the success of talent management initiatives within organizations.

### **Opportunities and Challenges of Talent Management**

Talent management offers several opportunities: i) Learning and Growth: Provides challenging work and development opportunities (Tiwari & Lenka, 2015). ii) Goal Alignment: Aligns workforce capabilities with organizational goals (Purohit, 2018). iii) Knowledge Management: Enhances competitive advantage and service quality through knowledge management (Shah et al., 2021). iv) Innovation: Supports continuous innovation and a supportive work environment (Weng et al., 2023). v) Strategic Renewal: Enables talented employees to contribute to key programs and drive success (Järvi & Khoreva, 2020).

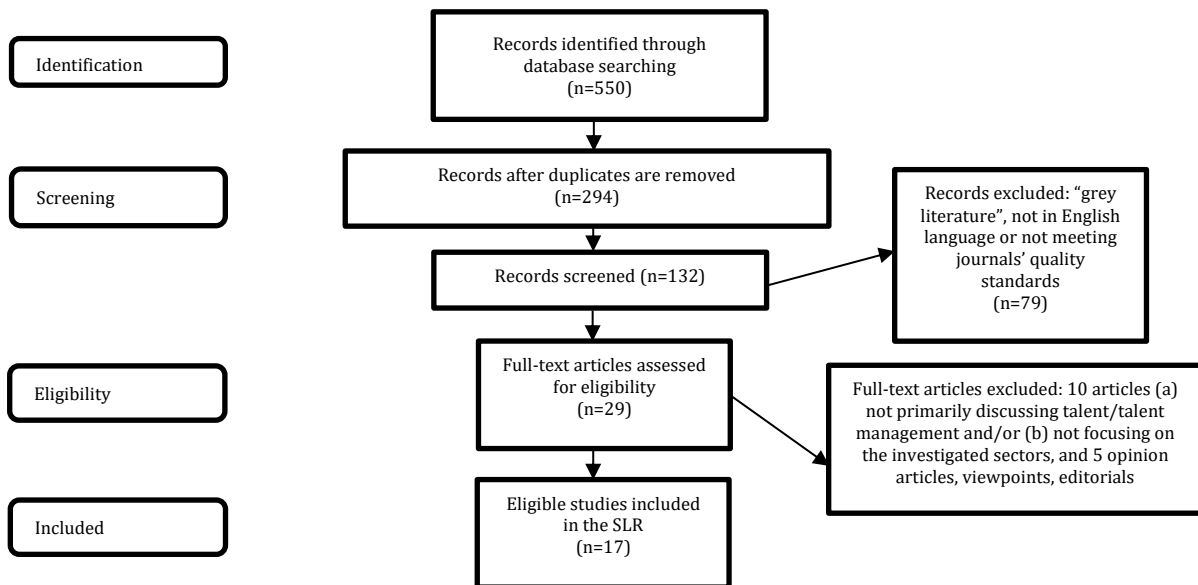
Challenges in talent management include: i) Recruitment and Retention: Difficulty in assessing skills and cultural fit and retaining top talent (Ibrahim, 2024). ii) Workforce Planning: Choosing the right individuals for specific roles (Al-Dalahmeh et al., 2020). iii) Employee Engagement: Promoting diversity, inclusion, and competitive compensation (Pandita & Ray, 2018). iv) Technology Implementation: Leveraging innovative technology in small and medium enterprises (Thomas, 2020). v) Identifying Challenges: Addressing issues in implementing strategies, especially in IT sectors (Tamas, 2024). These challenges highlight the need for effective strategies to attract, develop, and retain talent for organizational success.

### **RESEARCH METHOD**

This study employs the Systematic Literature Review (SLR) method. The systematic literature review (SLR) is a research approach that comprehensively detects, assesses, and analyses all relevant findings within a certain study topic framework, to address predetermined research enquiries. The Systematic Literature Review (SLR) is a rigorous and comprehensive process used to thoroughly examine existing literature. It serves as a vital tool in developing research enquiries and providing direction for data gathering and analysis (Vogt et al., 2012). Literature reviews serve several important purposes, including inspiring researchers by helping them narrow a broad field of study.

This research utilizes secondary data such as research reports and scholarly journals that

discuss Talent Management from conceptual, theoretical, and empirical perspectives. The secondary data collection technique involves exploring journals and other relevant information. The journals used were sourced from Google Scholar searches using several keywords, including "Talent Management," "Public Sector," "Talent Management in Indonesia," and others. These data are then analyzed using the PRISMA flowchart approach.



**Figure 1.** PRISMA Article Search Flowchart

## FINDINGS AND DISCUSSION

### Talent Management in The Indonesian Public Sector

Research by [Sandeepanie et al. \(2021\)](#) has shown that talent management techniques effectively cater to the requirements of high-potential individuals, leading to exceptional performance. Talent management methods in the public sector have a substantial impact on organizational performance, and line managers have a crucial role in supporting and moderating these practices ([Semaihi, 2023](#)). Implementing efficient talent management strategies can result in increased employee engagement, enhanced performance, and achieving goals within public health systems ([Nkala et al., 2021](#)). Effective talent management in the public sector necessitates adaptability and relevance across different organizations within the sector ([Kozjek & Franca, 2020](#)). Talent management is a crucial factor in determining a company's performance, particularly in the public sector. Organizations can enhance performance and accomplish strategic objectives by implementing efficient personnel management techniques that attract, cultivate, and retain talented workers.

### How to Implement Talent Management in the Public Sector

Moreover, it is crucial to customize talent management strategies to suit the unique circumstances of public sector organizations, considering the impact of contextual factors on human resource management procedures ([Thunnissen & Buttiens, 2017](#)). Talent management plays a critical role in the public sector by ensuring the recruitment, engagement, and retention of high-performing personnel, which is essential for maintaining long-term organizational success ([Shava, 2022](#)). In addition, talent management strategies need to be flexible and relevant for implementation in different public sector organizations ([Kozjek & Franca, 2020](#)). In order to achieve effective talent management, organizations need to allocate resources towards developing

appropriate strategies that consider line managers' perspectives on equitable treatment and the organization's stance on diversity and fairness (Harris & Foster, 2010). Furthermore, public sector organizations must prioritize talent retention by focusing on key elements such as job satisfaction, work motivation, and loyalty (Nguyen & Uong, 2022). Thus, the successful implementation of talent management in the public sector necessitates a methodical and comprehensive strategy that considers the surrounding circumstances, aligns with the organization's goals, addresses psychological agreements, and prioritizes the retention and development of talented individuals to guarantee long-term organizational success.

### **Implementation of Talent Management in The Health Sector**

Implementing talent management in the healthcare sector is crucial for delivering high-quality healthcare services and maintaining organizational effectiveness. Effectively implementing talent management practices in healthcare services requires several key steps and considerations. First and foremost, aligning talent management strategies with healthcare organizations' specific needs and goals is paramount. This alignment ensures that talent management practices are tailored to attract, develop, and retain skilled healthcare professionals who can significantly contribute to sector performance (Nkala et al., 2021). Talent management strategies help healthcare organizations address skill mismatches, retain critical talents, and improve performance (Al-Qershi et al., 2021; Almohtaseb et al., 2020). Effective implementation requires a strategic, goal-aligned approach focused on talent development, retention, and innovation to deliver high-quality healthcare and enhance organizational effectiveness.

### **Implementation of Talent Management in The Government Sector**

Effectively implementing talent management in the governmental sector requires carefully considering several key steps and factors. Firstly, aligning talent management strategies with governmental institutions' specific needs and goals is crucial. This alignment ensures that talent management practices are tailored to attract, develop, and retain skilled individuals who can significantly contribute to sector performance (Barkhuizen & Masale, 2022). Talent management practices should be designed to address unique challenges and opportunities in the governmental sector, such as talent retention strategies for government employees and leadership skill development among public sector managers (Shava, 2022). Furthermore, establishing formal talent management policies within governmental institutions can help cities stay competitive by drawing, nurturing, retaining, and rewarding skilled employees (Theys & Barkhuizen, 2022). Consequently, implementing talent management in the governmental sector requires a strategic approach that addresses the unique needs of these organizations, aligns with their goals, and emphasizes talent development, retention, and innovation to ensure effective public service delivery and organizational efficiency.

### **CONCLUSIONS**

Effective talent management is crucial for optimizing public sector performance. It involves enhancing skills, allocating rewards, and fostering a work culture that supports creativity and adaptability. This study emphasizes the importance of management support and meritocratic policies to drive bureaucratic reforms and improve public service effectiveness.

Moreover, the consequences of this research are: i) Organizations should implement strategic talent management to effectively organize and maximize all available talents in harmony with organizational goals; ii) Creating a conducive work environment involves establishing a workplace that encourages innovation; iii) Competency Development involves providing ongoing training and development opportunities. The implications for policymakers encompass the

implementation of Meritocracy rules, which entail the formulation of rules that uphold meritocracy. The implications for human resource development involve the implementation of comprehensive talent development programs that encompass training, mentoring, and well-defined career routes; and Evaluation and Feedback through the establishment of a transparent performance evaluation system and the provision of constructive feedback to assist employees in identifying areas for improvement and advancing their growth.

This research underscores the importance of implementing strategic and tailored talent management approaches for government organizations. These strategies should be aligned with the goals of the organization and should prioritize the development, retention, and innovation of talent. Regarding the findings of this study, one of its methodological limitations is that we only included academic articles written in English and published between 2012 and 2024. Opinion pieces and editorials were excluded. Therefore, there is room for future research to expand the criteria by including additional research outlets and languages. The purpose of these research recommendations is to enhance the comprehension and efficacy of talent management in the public sector. They seek to provide insights into crucial factors, perceptions, technological advancements, and external influences that shape talent management practices.

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