DEVELOPING TALENT AND PERFORMANCE OF GOVERNMENT EMPLOYEES, CAPACITATE MALAYSIA’S DEVELOPMENT PLAN

Nik Sarina Nik Md Salleh¹, Sakinah Mat Zin², Iskandar Hasan Tan Abdullah³, Wan Ahmad Tirmizi Wan Sulaiman⁴, Wan Nor Azilawanie Tun Ismail⁵

¹,²Faculty of Business and Management,
³,⁴Faculty of Administrative Science and Policy Studies,
UNIVERSITI TEKNOLOGI MARA
CAWANGAN KELANTAN, MALAYSIA
³Faculty of Applied Social Sciences,
UNIVERSITI SULTAN ZAINAL ABIDIN, GONG BADAK CAMPUS,
TERENGGANU, MALAYSIA

Abstract

The Twelfth Malaysia Plan (12MP) aimed at revitalizing the economy to restore the financial well-being of the people and comprehensively rejuvenate and strengthen the overall national economic growth. In line with the prominent national agenda, this paper aims to investigate talent management and its relationships with the performance of state government employees in Malaysia. When employees are motivated, skilled, and engaged, they are better able to work towards the company's objectives, improving job performance. Hence, talent management was identified to model its impact on state government employee performance in Malaysia. To gather data, survey questions from earlier studies are incorporated and modified. The 385 state government samples and SPSS version 22 are used for the data analysis. The study results show that talent management, recruitment, and retention significantly affect company performance. This helps those in charge of human resource management to appreciate the situation and decide how best to promote employee advancement.

Keywords: Employee performance, state government, talent management, talent acquisition, talent development, talent retention

¹ Lecturer at Universiti Teknologi MARA. Email: sakin405@uitm.edu.my
INTRODUCTION

Human capital serves as the primary catalyst for economic advancement, with the development of competent talents forming the foundation for a resilient and dynamic economy. Aligned with the 12th Malaysia Plan (2021 - 2025) objectives, the focus is on talent management for inclusive and sustainable growth. It is crucial to reinforce talent development strategies and initiatives to increase the performance of state government employees in Malaysia.

To thrive in various industries, talents must possess relevant skill sets and high adaptability. There exists a positive correlation between the norms of reciprocity and trust and the skills and commitments of young individuals (Nor, Alias & Musa, 2018). A productivity-driven economy necessitates highly skilled young individuals and the contribution of quality human capital to enhance product performance. The commitment of all individuals plays a crucial role in determining the successful execution and accomplishment of the objectives and goals outlined in the 12th Malaysia Plan.

The presentation of the 12th Malaysia Plan on 27 September 2021 comes at the right time as the country recovers from the COVID-19 crisis (PwC, 2021), including decentralisation becoming an important agenda during the crisis (Seo, 2022). The 12MP establishes a strategic course for Malaysia's growth from 2021 to 2025. It revolves around three main focal points: firstly, revitalizing the economy; secondly, enhancing security, well-being, and inclusiveness; and thirdly, promoting sustainability. Therefore, while they assist the government in achieving the country's ambitions for sustainable growth, state government organisations are at a crucial turning point.

By measuring value added per hour worked, Malaysia's labour productivity in the third quarter of 2021 declined by 0.6% (2Q 2021: -12.9%). While working hours decreased by 3.9% (2Q 2021: 33.3%), the Malaysian economy shrank by 4.5% from 16.1% the previous quarter (DOSM, 2021). Having a decrease in productivity, Malaysia demands a talented workforce. A talented workforce will help diversity and growth in our country's economy. Therefore, workers that possess the skills and knowledge are required. A high-quality workforce can help our nation’s labour productivity and employment, as well as for long-term success.

Furthermore, in his statement, the Director General of the Malaysian Productivity Corporation (MPC) revealed that Malaysia's productivity declined in 2020, the worst in ten years (MPC, 2021). To satisfy the populace's expectations, Malaysia must implement certain basic reforms to build a more effective and efficient public sector. According to the 12MP report, the government also prioritised hiring and maintaining top talent, putting important leaders in the civil service, instilling admirable values and ethics, and advancing skill development when training future leaders. Despite growing interest in
academic disciplines worldwide, talent management concerns in the public sector, especially in Malaysian state government agencies, have gotten less attention (McDonnell et al., 2017). Talent retention is a problem in Malaysia (Alias, Noor, & Hassan, 2014). Therefore, this article explores how talent management affects employee performance in Malaysian state government.

LITERATURE REVIEW

Employee Performance
According to Karoso et al. (2022), employee performance is a measure of an individual's achievement over a period of time in relation to various factors, including work standards, objectives, goals and criteria. The favourable impacts of coaching on employee performance can be reaped by all employees (regardless of their career stage) (Pousa et al., 2017). Talent management affects employee performance; the better a company's talent management practises are, the better its employees perform (Krishnan et al., 2020; Wadhwa & Tripathi, 2018). According to several studies, there is a strong correlation between talent management and employee performance (Sopiah et al., 2020; Damarasri & Ahman, 2020; Kaleem, 2019).

Talent Management
Perceived as a collection of standard practises, duties, and specialisations found in human resource departments, including recruitment, hiring, training, and career and succession planning (Mercer, 2005). Noe and Kodwani (2018) noted that talent management is growing due to changes in job and occupation demand, skills shortages, the impending retirement of the baby boomer generation, and the need to train the next generation of business leaders. According to Sanjeev and Singh (2017), talent management entails hiring new employees, developing and keeping current employees, as well as luring talented and experienced individuals to work for the company. Talent management aims to build enduring, high-performing organisations that achieve operational and strategic goals and objectives (Massie, 2015).

Talent Acquisition
As a collection of highly skilled, independent, exportable, and movable individuals, intellectual capital is presently in greater demand than it is available (Ewing et al., 2002; Ployhart, 2006). Highly trained workers benefit from the competitive labour market since few employment opportunities are available (Srivastava & Bhatnagar, 2008), especially in professional, informational, technical, and service companies (Ewing et al., 2002). Additionally, potential employees pick the correct company and the suitable position priority (Rynes & Cable, 2003). Thus, companies are more actively assessing and improving their
appeal to potential hires (Highhouse et al., 1999). The biggest talent acquisition problem for recruitment agencies is finding the right blend of skills, competences, and cultural fit (Rynes, 1991). Hence, it can be assumed that: 

**H1: There is a positive relationship between talent acquisition and employee performance.**

**Talent Development**

To guarantee that the company has both present and future talent, talent development must plan, select, and implement strategies for the talent pool (Garavan et al., 2012). This can help achieve strategic goals that call for coordination between the organization's personnel management procedure and development efforts. According to Hedayati Mehdiabadi and Li (2016), it is crucial to understand that having the necessary specialized skills for one's profession and being aware of how critical it is to be in an unstable situation presently are two related concepts. Flexible workers that can pick up new knowledge and skills are needed. Consequently, it is assumed that: 

**H2: There is a positive relationship between talent development and employee performance.**

**Talent Retention**

Even if it is asserted that this activity is one of the talent management approaches that will affect employee performance (Iles et al., 2010; Lynn, 2003), retention management or talent retention should be a top priority. Bhattacharyya (2015) asserts that talent retention will prevent the loss of brilliant individuals and is considered the most likely cause of employee happiness and well-being, both of which are demands made by all workers (Qureshi, 2019). Retention prospects are also enhanced when firms preserve a positive brand or reputation in the labour market. This plan will prevent the organisation from overspending due to talent loss and assist it in surviving and expanding. Such a talent retention strategy has long-term beneficial effects on business performance (Qureshi et al., 2019). To develop and keep hold of critical talent, organisations must offer a diversity of practises (Collings & Mellahi, 2009). According to the findings, this study presupposes that: 

**H3: There is a positive relationship between talent retention and employee performance.**

**Talent Management and Employee Performance**

Talent management, a fresh approach to organisational effectiveness, is a thorough and all-encompassing strategy for business and human resource planning (Ashton & Morton, 2005). The positive impacts of talent management practises on employee performance and job satisfaction were demonstrated by
Dixit & Amit-Arrawatia (2018). Similar findings were found by Luna-Arocas and Lara (2020) who have emphasized that (soft) talent development strategies will influence the performance provided by (hard) professionals. Furthermore, earlier researchers (Bibi, 2019) came to the same conclusion: talent management increases employee performance while assisting organisations in overcoming obstacles, expanding into new markets and advancing the competitive landscape. Thus, the conclusion that follows is as follows:

\[ H_4: \text{There is a positive relationship between talent management and employee performance.} \]

**METHODOLOGY**

A quantitative approach is used to create a cross-sectional survey. This study adopted (with some modifications) questionnaires from Kaleem (2019) and made them into an online survey tool. Kaleem (2019) examined the impact of talent management techniques on employee performance in a few UAE public sector organizations. The method that was previously verified in the UAE is now more flexible and has more variety as a result of Malaysia adopting the self-assessment survey method. The survey questionnaire was created using [https://www.google.com/forms](https://www.google.com/forms). It comprised 15 questions to evaluate employees' awareness of state government talent management and 4 to measure self-assessment performance. The components of talent management and their relations with staff performance are selected from a literature review, which is later used to prepare questions covering areas of talent acquisition, talent development, talent retention (4 items), talent management, and employee performance. The reliability of an assessment instrument was tested to find out whether it produces the same results each time it is used in the scales. Cronbach's alpha, or coefficient alpha, measures a questionnaire's reliability, especially its internal consistency dependability or item interrelatedness (Cronbach, 1951). Acceptable Cronbach's alpha values are 0.70 or greater (Alias et al., 2023; Nunnally, 1978). All variables in this study exhibit Cronbach’s alpha coefficients (employee performance=0.849, talent acquisition=0.810, talent development=0.901, talent retention=0.830, talent management=0.866) greater than 0.70, indicating acceptable reliability.

The research model was examined, and the hypothesis was evaluated, using multiple regression analysis. Subsequently, a one-way Analysis of Variance (ANOVA) was used to calculate a generalizability coefficient that quantifies how much measurement error can be attributed to each data set. ANOVA examines the overall dependability of the results (Brennan, 1992). ANOVA can be used when researchers need to make multiple comparisons in a study (Connelly, 2021). After receiving responses from the state government personnel, it was decided to ask the questions in Malay. Each answer was graded
on a scale of 1 to 7, with 1 meaning "strongly disagree" and 7 denoting "strongly agree." When compared to a 10-point scale, a 7-point scale produces mean values that are somewhat higher with the highest possible score (Dawes, 2008). Further, an executive officer from Kelantan State Economic Planning Unit (UPEN) states that the total number of Kelantan state government employees is approximately 4,120 (Wan Zulfadhli Syahman, WhatsApp, Sept 28, 2021). As research samples for this study, 385 employees were chosen, more than the minimum 274 sample sizes recommended by Krejcie and Morgan (1970). A sample size of 30 to 500 is adequate for conducting research (Sekaran & Bougie, 2019; Roscoe, 1975).

Most current Internet research studies employ non-probability convenience sampling techniques that are generally accessible, affordable, and cheap (Lehdonvirta et al., 2021). This study uses a convenience sample approach, which entails merely sending the questionnaire link to Kelantan state government employees over WhatsApp. The main problem with convenience sampling is that sample bias makes it impossible to generalise study results. As a result, according to Ibrahim et al. (2023) and Emerson (2021), convenience sampling studies are in between single-subject approaches and approaches using randomised control groups. However, this study used a large sample size instead of a single-subject design. It, therefore, allows for a bit greater generality. Convenience sampling used in the study severely restricts generalizability. The researchers of this study obtained complete responses from 385 Kelantan state government employees, yielding a response rate of 69%. According to Mugenda & Mugenda (2003), this response rate is appropriate for analysis and publishing. A response rate of 50% is considered adequate for analysis and publishing, a response rate of 60% is considered good, and a response rate of 70% or more is considered very good, according to academics.

**Descriptive and Inferential Analysis**

41% of the population were women, and 59% were men. Female high-potential employees are more dedicated to developing their leadership abilities than their male colleagues, according to research by Khoreva, Vaiman, and Van Zalk published in 2017. Tatli et al. (2013) contend that women are less inclined than men to fight for higher status because they detest competition. Looking at this study’s trivial gender differences in percentage (i.e., 8%), the present finding denotes that Kelantan state government agencies should make the best use of the talents available to them by communicating the value of talent management practises to both male and female employees and encouraging them to participate in developmental initiatives. Employers must support, inspire, and develop high-potential workers of all genders to achieve this (Khoreva, Vaiman & Van Zalk, 2017). In addition, 61% of the respondents belong to the age category of 20-40, 33.2% are 41-50 years old and 5.8% are 51 to 60 years old. In this study, future
competence maintenance depends on young employees remaining in the labour market for longer. Considering this, detailed knowledge of the talent management used by human resource personnel and how older workers’ talent is positioned when technology is involved is essential. Due to worries about human capital, employers may choose young people since they have a longer future revenue stream and better development potential than older workers (Urwin, 2006). Wilson, Parker, and Kan (2007) advised businesses to concentrate their hiring efforts on the necessary abilities and underlined that age was not a factor. Furthermore, for the education level, 86.5% of the employees have diplomas and above. There are many of them, with a sizable fraction having a tertiary degree, indicating a high talent level. This implies that most state government employees possess the skills needed for the managerial post. Employees’ work performance is positively and significantly impacted by their work experience (Fajriah et al., 2021). More than half of the state government employees have working experience above 3 years (72.2%). 36.6% have been working for above 9 years. The employees’ work performance is outstanding, with 41% good, 20.5% perfect, and 16.9% excellent. These figures show that most employees possess work experience, which would allow them to develop work-related competencies and acquire skills. They would later turn up as talented workers.

RESULTS AND DISCUSSION
The correlation coefficient was used to determine how significantly the dependent and independent variables were related.

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: There is a positive relationship between talent acquisition and employee performance.</td>
<td>.560**</td>
</tr>
<tr>
<td>H2: There is a positive relationship between talent development and employee performance.</td>
<td>.621**</td>
</tr>
<tr>
<td>H3: There is a positive relationship between talent retention and employee performance.</td>
<td>.716**</td>
</tr>
<tr>
<td>H4: There is a positive relationship between talent management and employee performance.</td>
<td>.574**</td>
</tr>
</tbody>
</table>

A more significant correlation between the two variables is indicated by values closer to +1.00 or -1.00, whilst a lesser correlation is indicated by values closer to 0.00 (Pallant, 2013). Table 1 shows correlation results among the variables.

The findings showed that every variable was significant and positive, and all correlation values were classified as large (Cohen, 1988). The two variables most strongly correlated were talent development and retention.
The largest associations between talent retention and employee performance were found in the correlation study between independent variables and dependent variables ($r=0.716, p<0.01$). The weakest link was between talent acquisition and employee performance ($r=0.560, p<0.01$). Further, a one-way ANOVA, also known as an F test, was exercised to determine whether there was a difference between the variables (for example, different dosages of an intervention or different timeframes) (Connelly, 2021). Accordingly, the result exhibits a significant difference in mean [$F(4, 378) = 119.86, p=0.00$] between the variables. Then, the association between talent management elements and worker performance was examined using multiple regression analysis. The outcomes in Table 2 uncover talent acquisition ($β = 0.330, t = 5.770$), talent retention ($β = 0.712, t = 11.700$), and talent management ($β = -0.163, t = -2.900$) significantly influenced employee performance. Both $t$-values are equivalent to $p$-values that are less than 0.05, making them statistically significant. As a result, talent acquisition and retention are beneficial in predicting employee performance. Whereas talent development ($β = -0.089, t = -1.103$) does not since its $p$-value is 0.271, i.e., $>0.05$.

Table 2: Multiple Regression Results for Business Performance

<table>
<thead>
<tr>
<th>Model</th>
<th>Standardized Coefficients</th>
<th>$t$</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant)</td>
<td></td>
<td>11.285</td>
<td>.000</td>
</tr>
<tr>
<td>Talent Acquisition</td>
<td>.330</td>
<td>5.770</td>
<td>.000</td>
</tr>
<tr>
<td>Talent Development</td>
<td>-.089</td>
<td>-1.103</td>
<td>.271</td>
</tr>
<tr>
<td>Talent Retention</td>
<td>.712</td>
<td>11.700</td>
<td>.000</td>
</tr>
<tr>
<td>Talent Management</td>
<td>-.163</td>
<td>-2.900</td>
<td>.004</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee Performance

This study’s result resembles that of Mensah (2015), who indicates that implementing a talent management system improves employee performance. Additionally, Sariwulan et al. (2021) assert that talent management affects employee work performance. Dalal & Akdere (2021) also discovered a strong and advantageous association between talent management and employee job-related results. However, due to the insignificant finding, it can be said that talent development is not individually reliable for predicting Kelantan state government employees’ performance. Hence, state government’s human resource management (HRM) personnel must pay more attention to developing employee talents. These measures for talent development are crucial for fostering learning, employee engagement, talent management, and staff development, which in turn improves organisational performance, productivity, and results (Galagan, Hirt &
Vital, 2020). For example, a supportive learning environment is usually prioritized by employees so that their learning process is not disrupted by global health crises such as COVID-19 (Nik Md Salleh et al., 2022). In addition, to be more successful in promoting innovation in the firm, it is necessary, according to Datta et al. (2021), to broaden the scope of HRM practice and supervisory support.

**IMPLICATIONS**

While previous studies have investigated organizational talent management issues, their findings are not generalised to state government employees. This study's contribution can be viewed as filling a gap in research studies, attempting to identify talent management and its relationships with the performance of Malaysian state government employees. Few researchers have previously investigated talent management practices in the Malaysian state government in terms of theoretical implications. The empirical evidence on the impact of talent management on the performance of Kelantan state government employees serves as a model for other state government employees in evaluating their performance in each element of talent management. As a result, state governments can assess how much they capitalise their assets in the above parameters to achieve high organisational productivity and performance.

When considering the practical ramifications, employees of the State Secretary HRM division should be aware that talent management outcomes depend not only on an organization's overall philosophy but also on the personal ideologies of those who are in charge of putting talent management practices into practise, primarily senior officers in state government departments and agencies. To ensure that talent management is used as intended, senior officers must explain to junior officers the talent philosophy of their organisations. Senior and junior officers must share the same talent mindset to communicate unambiguous instructions to their staff, whose perceptions are crucial factors in talent-management outcomes. However, the authors present a theoretical model of talent management and employee performance with three factors, which is a limitation of this study. Other variables may need to be added to the study to improve it.

**CONCLUSION**

The 12th plan demonstrates the government's dedication to proactively anticipating and strategizing for any potential circumstances. One of the most challenging tasks organisations confront in today's talent competition is finding, evaluating, training, and keeping talented employees. The only thing that distinguishes one organisation from another is its human resources. It helps the organisation create long-term growth while giving it a competitive advantage. An
international talent deficit is affecting businesses everywhere. The lack of skilled candidates with the required skill sets affects many jobs. Consequently, this study significantly explores state government talent management that affects employee performance. Specifically, this study contends that for HR professionals to manage talents effectively and efficiently, it is vital for them to be defined, understood as a whole, and connected to the organization's plan.

ACKNOWLEDGEMENT
This work was supported by the Research Grant of Basic Development Program, Institut Masa Depan Malaysia (MPDP) P22.0/2022/01/19/023DDN from Institut Masa Depan Malaysia (MASA).

REFERENCES


Dawes, J. (2008). Do data characteristics change according to the number of scale points used? An experiment using 5-point, 7-point and 10-point scales. *International Journal of Market Research, 50*(1), 61-104.


Received: 12th July 2023. Accepted: 13th October 2023