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The Influence of Talent Management, Work-Life Balance and Organizational Commitment on Employee Performance Through Job Satisfaction in Batam City Distribution Sector

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Abstract: This study seeks to determine the impact of talent management, work-life balance, and organizational commitment on employee performance, with satisfaction serving as a mediating variable. In Batam City, the distribution sector experiences fierce rivalry, necessitating enterprises to secure high-performing staff. This study employs a quantitative descriptive methodology utilizing sampling procedures via questionnaires. The analysis method used was SEM-PLS, with 250 respondents from the distribution sector in Batam City. This research tested five variables with 19 questions which were measured using outer loading, reliability and validity. This research indicates that Talent Management (X1), Work-Life Balance (X2), and Organizational Commitment (X3) significantly influence Employee Performance (Y2) via Job Satisfaction (Y1).

Keywords: Talent Management, Work-Life Balance, Organizational Commitment, Organizational Commitment, Employee Performance.

INTRODUCTION

One of the main determinants of an organization's ability to successfully accomplish its strategic objectives in the distribution industry is employee performance. The distribution industry in Batam City, one of Indonesia's economic hubs, is becoming more competitive, therefore it's critical for businesses to make sure their staff members are performing at a high level (Daulay et al., 2019). Organizational commitment, work-life balance, and talent management are a few of the elements that are crucial to raising employee performance. Together, these three components create an ecology that enhances worker performance. A methodical approach to attracting, identifying, developing, and keeping people with the skills and dispositions necessary to satisfy organizational demands is known as talent management (Chan & Claudia, 2018). The capacity to promptly adjust to changes in the market and satisfy client expectations is essential in the distribution industry. Effective personnel management will enable firms to better meet current problems and boost output.

In the current environment, work-life balance is also becoming a more significant factor. Today's workers frequently deal with intense work-related stress, which can have an impact on their mental and physical health. Employees who struggle to manage their personal and professional lives may experience stress, burnout, and a decline in motivation, all of which can impair their ability to perform at work. Companies can enhance job satisfaction by promoting work-life balance through the provision of flexible work schedules and effective leave policies (Nelson & Angellius, 2023). Achieving a harmonious equilibrium between professional responsibilities and personal life can enhance employee productivity as well as job satisfaction. Research shows that employees who have a good work-life balance tend to be more motivated and committed to giving their best to the organization (Zaky, 2022).

Organizational Commitment is another factor that is no less important in this context. Organizational Commitment is the emotional bond that employees have with the organization where they work. Employees who feel emotionally attached to the organization are more likely to put extra effort into work, face challenges, and contribute to the success of the organization. This commitment can be increased in various ways, such as through effective communication, recognition of employee achievements, and the creation of a positive work environment (Al., 2021). Employees who feel valued and have their contributions recognized will tend to have a higher level of commitment, which in turn has an impact on performance. In the context of the distribution sector in Batam City, where rapid adaptation to change is key to survive and thrive, Organizational Commitment can be a significant driver for employees to give their best (Saragih et al., 2023).

In the interplay of talent management, work-life balance, and organizational commitment, job satisfaction functions as a crucial mediating component. Job satisfaction denotes the favorable sentiments employees harbor towards their work, which may be affected by multiple elements, such as the work environment, acknowledgment, and organizational support (Zailani & Artanto, 2024). Employees that experience job satisfaction are generally more engaged and motivated, thereby enhancing performance. This study examines the influence of talent management, work-life balance, and organizational commitment on employee performance via job satisfaction.

In an effort to understand this relationship, it is important to conduct an in-depth analysis of how each of these factors contributes to improving individual performance in the organization (Saragih et al., 2023).

Given the shifting market dynamics and difficulties Batam City's distribution industry faces, this research is also pertinent. Organizations must constantly adjust and discover new methods to enhance employee performance in light of changing work patterns, rising consumer demands, and technology advancements. Organizational leaders may create more efficient human resource management plans by having a better grasp of the relationships between talent management, work-life balance, and organizational commitment. Furthermore, the goal of this study is to give decision-makers in the distribution industry practical advice on how to foster a positive workplace culture, which will eventually boost worker performance and happiness.

A thorough strategy will be used to investigate the relationship between the variables being studied in order to accomplish the goal of this investigation. A survey of workers in Batam City's distribution industry will be used to gather data. With employee happiness acting as a mediator, this study will use suitable analytical techniques to try and identify the trends and connections that exist between organizational commitment, work-life balance, and talent management and employee performance. It is anticipated that the findings of this study will not only make scholarly contributions but also offer useful suggestions for how businesses can handle their human resources.

In-depth knowledge of how these elements interact and affect individual performance in Batam City's distribution context is anticipated to be produced by this study, which will help firms develop more effective employee performance improvement plans.

Litelatur Review

Talent Management

According to Basuki (2023), a good organization is able to utilize, develop and maintain human resources in order to achieve the results that have been intended from the start, the talent management strategy is the initial stage of placing employees according to their abilities through identification, development, defense and placement of work positions so that each job can get the desired results (Putri et al., 2023). The initial picture needed for talent management is that companies can quickly recruit the best human resources for business and can align their efforts with company goals (Sudarijati & Setiawan, 2019). Talent management is not just a periodic development program but also includes a series of processes to retain employees who have talent (Azhad & Anggraeni, 2022).

Work-Life Balance

Work-life conflict arises when work demands are too high, resulting in reduced Job Satisfaction (Bouwmeester et al., 2021). This statement is also stated by (Fransisca et al., 2023) that improving Employee Performance is based on Work-Life Balance, these two things show each other. This balance refers to the work and personal life of employees where the company must implement flexibility strategies and maintain mental pressure on employees so as not to affect employee Job Satisfaction which will have an impact on the performance results that will be produced (Arditya Afrizal Mahardika et al., 2022).

Organizational Commitment

Ong et al., (2023) stated that Organizational Commitment is one of the basic determinants of whether employees want to give royalty to the company or choose to leave the company. The creation of a foundation for employee Job Satisfaction is inseparable from the support of employees in implementing their commitment in the organization (Ramadhania & Wulansari, 2022).. One of the mechanisms that motivate employee loyalty in a business is organizational commitment. When a loyal employee is happy with his job and does all their work to make the organization successful on the contrary, if staff members lack commitment to the company, there will be many resignations, thus having an impact on labor productivity, the higher the level of employee involvement in the organization will result in better performance and the achievement of goals set by the organization (Chayomchai, 2024).

Job Satisfaction

High and low Employee Performance cannot be separated from job satisfaction, these two concepts are often discussed together (Ritonga & Tun Ganyang, 2020). Companies must prioritize employee Job Satisfaction because this increases employee involvement and attention in fulfilling their obligations which ultimately increases profitability (Febiola et al.,2024). Job Satisfaction is also a set of feelings, beliefs, and thoughts and responses to his job, whether happy or not as a result of an assessment of the job and the environment because this will standardize the performance that will be produced (Sutrisno et al., 2022). The negative impact of Job Satisfaction is the intention to leave the organization due to underappreciated performance and no achievements and high career offers in the organization (Anggara & Nursanti, 2019).

Employee Performance

High Employee Performance will have a positive impact on the company in terms of achieving its goals, therefore human resource management is required to maximize talent properly (Deswanti et al., 2023) and Sentoso & Sang Putra (2021) also suggests that employees who are satisfied with their work will provide extra effort by committing to provide the best results. Performance is an implementation of balance theory which shows that performance will be achieved optimally if it gets benefits and stimuli in its work that are fair and rational (Mutiara et al., 2024). Performance appraisal is also an important aspect for company data collection as an evaluation of the company in identifying potential improvements and developments in it and can monitor strengths and weaknesses that provide feedback for future performance development (Pokhrel, 2024).

Conceptual Framework

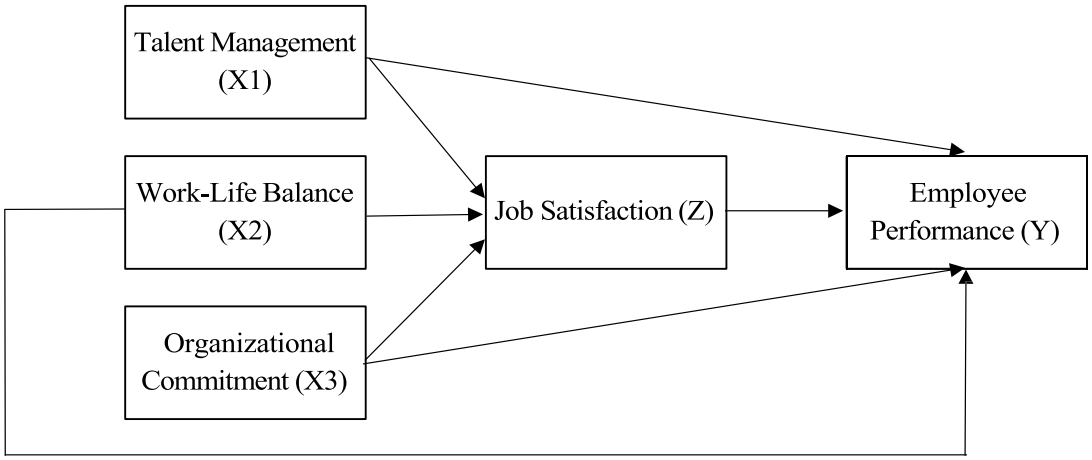


Figure 1. Conceptual Framework

Hypothesis

A hypothesis is a temporary statement or conjecture to produce a new theory by conducting various relevant tests," according to (Purwanza et al., 2022). The following is the phrasing of the hypothesis that has been put forth:

H_1 : Talent Management impact on Employee Performance
H_2 : Talent Management impact on Job Satisfaction
H_3 : Work-Life Balance impact on Employee Performance
H_4 : Work-Life Balance impact on Job Satisfaction
H_5 : Organizational Commitment impact on Employee Performance
H_6 : Organizational Commitment impact on Job Satisfaction
H_7 : Job Satisfaction impact on Employee Performance
H_8 : Talent Management impact on Employee Performance through Job Satisfaction as mediation variable
H_9 : Work-Life Balance impact on Employee Performance throughJob Satisfaction as mediation variable
H_{10} : Organizational Commitment impact on Employee Performance through Job Satisfaction as mediation variable

METHOD

One of the ways to obtain something is through a method, and the research method is an essential stage in the research process, whether in revealing existing phenomena or in searching for data (Rofi'ah et al., 2022). This study employs a descriptive quantitative method, with a

questionnaire sampling technique or a survey using a formula because the size of the research population is not known with certainty.

According to Creswell (2014), a descriptive quantitative approach allows researchers to describe the characteristics of a population or phenomenon by using numerical data, providing a clear picture of the variables being studied. This study seeks to investigate the correlation among many variables: talent management, work-life balance, organizational commitment, job satisfaction, and employee performance.

The data analysis technique uses SEM-PLS (Structural Equation Modeling-Partial Least Squares) software, which translates the data into statistical form for analysis. The study tests five variables using 19 questions from 250 respondents working in the distribution sector in Batam City. As explained by Hair et al. (2017), SEM-PLS is a powerful tool for analyzing complex relationships between variables, especially when dealing with exploratory research and non-normal data distributions. This method is particularly effective for studies involving multiple latent variables, as in this case.

RESULTS AND DISCUSSION

Outer Loadings

Table 1. Outer Loadings

Variable	Construct	Outer Loadings	Result
Talent Management (X1)	TM1	0,874	Valid
	TM2	0,867	Valid
Work-Life Balance (X2)	WLB1	0,819	Valid
	WLB2	0,856	Valid
	WLB3	0,830	Valid
Organizational Commitment (X3)	OC1	0,794	Valid
	OC2	0,746	Valid
	OC3	0,769	Valid
	OC4	0,746	Valid
	OC5	0,750	Valid
Job Satisfaction (Y1)	JS1	0,838	Valid
	JS2	0,790	Valid
	JS3	0,808	Valid
	JS4	0,808	Valid
Employee Performance (Y2)	EP1	0,791	Valid
	EP2	0,800	Valid
	EP3	0,767	Valid
	EP4	0,759	Valid
	EP5	0,778	Valid

Source: PLS 2023

The Outer Loadings results in the table above show that all indicators are declared to meet the validity criteria and Rule Of Thumb, which is more than 0.7 (Wahyudi et al., 2022).

Reability and Validity

Table 2. Reability and Validity

Variable	Cronbach's Alpha	rho_A	Composite Reliability	AVE
X1	0,680	0,680	0,862	0,757
X2	0,783	0,786	0,874	0,697
X3	0,819	0,821	0,873	0,580
Y1	0,827	0,828	0,885	0,658
Y2	0,838	0,839	0,885	0,607

Source: PLS 2023

Based on the results of the analysis of the table above, it can be concluded that the Talent Management indicator does not show a good level of consistency in the internal consistency measure of the variable with a Cronbach's Alpha value below 0.6 Sihombing et al., (2022), all indicators are declared reliable with a Composite Reliability value above 0.7 and have met the validation criteria with an AVE value above 0.5 (Rahadi, 2023).

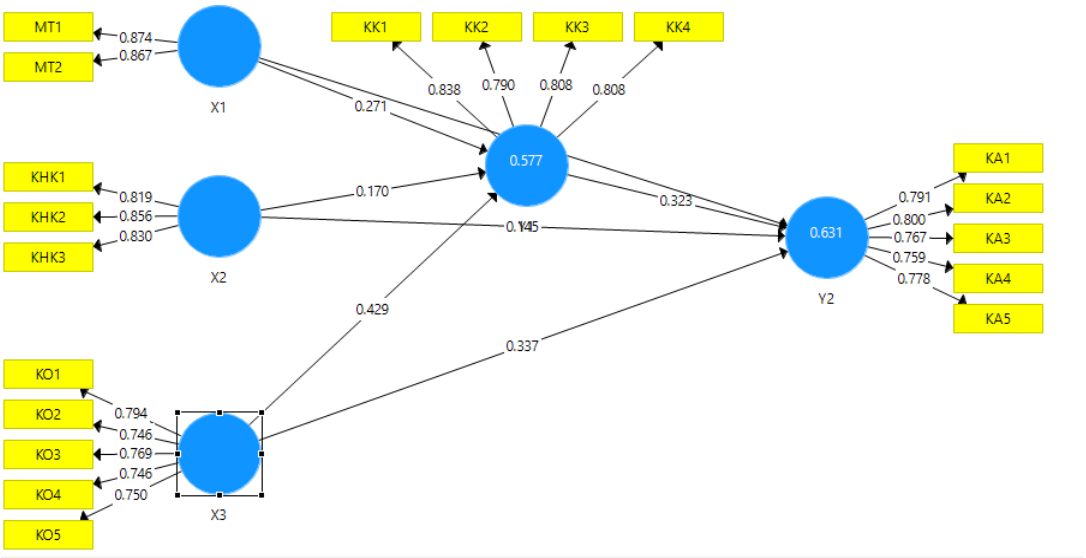


Figure 2. Inner Model

R-Square

Table 3. R-Square

Variable	Original Sample (O)	Sample Mean (M)
Job Satisfaction **(Y1)**	0,577	0,567
Employee Performance **(Y2)**	0,631	0,623

Source: PLS 2023

The results in the table above show that *Job Satisfaction* and *Employee Performance* exceed the 0.50 mark, which is in the moderate category reinforced by theory (Hair et al., 2019).

Direct and Indirect Between Variable

Table 4. Direct and Indirect Between Variable

Influence Between Variable	Sample Mean	T Statistics	P Values	Result
TM (X1) -> JS (Y1)	0.258	3.984	0,000	Significant
TM (X1)-> EP (Y2)	0.104	1,904	0,057	Insignificant
WLB (X2) -> JS (Y1)	0.173	2,875	0,004	Significant
WLB (X2) -> EP (Y2)	0.146	3,149	0,002	Significant
OC (X3) -> JS (Y1)	0.424	5,587	0,000	Significant
OC (X3) -> EP (Y2)	0.334	4,193	0,000	Significant
JS (Y1) -> EP (Y2)	0.322	4,134	0,000	Significant
TM (X1) -> JS (Y1) -> EP (Y2)	0.084	2,880	0,004	Significant
WLB(X2) -> JS (Y1) -> EP (Y2)	0.056	2,388	0,020	Significant
OC (X3) -> -> JS (Y1) -> EP (Y2)	0.137	3,062	0,002	Significant

Source: PLS 2023

CONCLUSION

This study demonstrates that Talent Management, Work-Life Balance, and Organizational Commitment significantly impact Employee Performance via Job Satisfaction as a mediating variable. Analysis utilizing SEM-PLS indicates that enhancements in talent management, work-life balance, and organizational commitment can elevate job satisfaction, subsequently exerting a beneficial effect on employee performance within the distribution sector of Batam City. Nonetheless, the findings of this study indicate that one link is not significant, specifically the direct effect of Talent Management (X1) on Employee Performance (Y2). Research findings encompass:

The results indicated that Talent Management (X1) had a substantial impact on Job Satisfaction (Y1), with a coefficient of 0.258 and a p-value of 0.000. Nonetheless, with a coefficient of 0.104 and a p-value of 0.057, the direct correlation between Talent Management (X1) and Employee Performance (Y2) lacks statistical significance. Work-Life Balance (X2) strongly influences both Job Satisfaction (Y1) and Employee Performance (Y2), with coefficients of 0.173 ($p = 0.004$) and 0.146 ($p = 0.002$), respectively. Organizational Commitment (X3) has a coefficient of 0.424 and a p-value of 0.000, indicating a substantial impact on Job Satisfaction (Y1). Additionally, it influences Employee Performance (Y2) with a coefficient of 0.334 and a p-value of 0.000.

The p-value of 0.000 and a coefficient of 0.322 indicate that Job Satisfaction (Y1) significantly affects Employee Performance (Y2). Job satisfaction (Y1) serves as a mediator between talent management (X1) and employee performance (Y2). Talent Management (X1) mediates Employee Performance (Y2) through Job Satisfaction (Y1), evidenced by a correlation of 0.084 and a p-value of 0.004. Employee Performance (Y2) is influenced by Work-Life Balance (X2) through Job Satisfaction (Y1), with a p-value of 0.020 and a coefficient of 0.056. The correlation between Job Satisfaction (Y1) and Organizational Commitment (X3) and Employee Performance (Y2) yields a p-value of 0.002 and a coefficient of 0.137.

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