Talent Management Focus on Small and Medium Enterprises: A Systematic Literature Review

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ABSTRACT

This systematic literature review explores the employee perspective on talent management within the context of Small and Medium Enterprises (SMEs) in Indonesia. Out of a total of 208 articles initially considered, the final analysis focuses on seven key articles for comparative evaluation. The research delves into various aspects of talent management, including recruitment strategies, employee development initiatives, and retention policies implemented by SMEs. The study aims to provide a comprehensive understanding of how talent management is perceived and experienced by employees in the unique setting of SMEs in Indonesia. By synthesizing findings from the selected articles, the review addresses crucial factors such as the role of technology, shifts in organizational culture, and specific challenges faced by employees in managing talent within SMEs. Through this systematic approach, the research contributes theoretical insights and practical implications for enhancing talent management practices in the SME sector. The findings aim to offer valuable guidance to SME leaders, human resource practitioners, and researchers seeking to optimize talent management strategies in the dynamic business landscape of Indonesia. The research that integrates the employee perspective into talent management is still relatively scarce, especially with a focus on small and medium-sized micro enterprises in Indonesia. This literature review specifically concentrates on the employee's standpoint within the context of talent management. A systematic literature review approach is employed in this study, assisted by the VOS Viewer application. The PRISMA method is used for the review. Out of the 154 Scopus articles reviewed, including empirical studies, conceptual articles, and book chapters, 7 articles specifically address the employee perspective in talent management research in SMEs. The literature review identifies that, although recent literature involves employees as key participants in strategic talent management, conceptual and empirical articles in this stream are still limited and require further conceptual and empirical development.

Keywords: Talent Management, Small and Medium Enterprises, Employee Perspective, Recruitment Strategies, Employee Development

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1. INTRODUCTION

Talent management is a critical aspect of human resource management in various organizations. For small and medium enterprises (SMEs) in Indonesia, managing talent becomes increasingly important in the face of rapidly changing market dynamics. In this context, this research will focus on the employee perspective regarding talent management in the SME environment in Indonesia, adopting a systematic literature review approach. The importance of talent management is keenly felt amid intense competition and rapid changes in the business world. Employees in SMEs play a crucial role in organizational success, and the ability to attract, develop, and retain talent is a primary challenge for SME leaders. Through a systematic literature review, we will delve into deep insights into how talent management is perceived by employees in the context of SMEs in Indonesia.

Various factors will be explored, including recruitment strategies, employee development, and retention policies implemented by SMEs. As part of the systematic literature review, this research will analyze key findings from various relevant studies conducted previously, providing a more comprehensive understanding of the dynamics of talent management in SMEs in Indonesia. Furthermore, this research will also highlight the role of technology, organizational cultural changes, and specific challenges faced by SME employees in managing talent. A profound understanding of employees’ perspectives on talent management can offer valuable insights to SME leaders, researchers, and human resource practitioners to enhance their talent management practices. Thus, this research aims to provide a strong theoretical foundation and practical contributions to the development of more effective talent management policies and practices among SMEs in Indonesia. Through a systematic literature review approach, this research is expected to offer in-depth insights into how talent management is understood and experienced by employees at smaller organizational levels, with Indonesia as the primary focus.

In recent times, human resource management has entered a new phase with the emergence of the term talent management. This concept is motivated by prevalent issues in companies, where organizations exert significant efforts to attract employees but dedicate minimal time to utilize and manage their talents. Anticipated challenges in talent management include winning the talent war, a situation wherein companies compete to outperform their rivals in acquiring the best talent available in the labor market. This underscores the importance for companies to enhance talent selection processes and adeptly develop existing talents.

In a journal written by [1] "Talent Management in HR" (2010), it is stated that talent management programs, organizational talent management, succession planning, and leadership development are integrated into the strategic business processes of a company. A smooth process ensures clarity for companies regarding whether their leadership team can execute future strategic initiatives.

According to [2], Pakistan, in their paper "Talent Management As A Source Of Competitive Advantage" (2015), organizations face talent management challenges in dynamic and competitive business environments. Talented workers become crucial for globally operating organizations, as demand for key talented employees is high due to their role in leading and steering organizations towards success.

Quoting Robert Barner, cited by [3], the key competitive advantage for organizations lies in talent, specifically at the leadership level. The future of an organization is determined by its ability to identify and continuously prepare a successor generation of leaders on the bench.

In the context of talent management strategy, as mentioned by [4], companies need to first have a clear understanding of the type
of talent they require. While companies generally identify talent needs based on their vision, mission, strategy, and values, they often overlook predicting talent needs based on future industry challenges. Failure to consider industry challenges can lead to a shortage of talent when needed in the future, resulting in a lack of competitiveness.

The development of talented employees should be carried out within a comprehensive talent management context. With proper development, both companies and employees can derive optimal benefits and advantages. Effective talent management helps companies quickly identify the best individuals for their business, develop and leverage their talents effectively, align their efforts with company goals, and maintain peak performance within the organization.

The success of an organization/company is significantly determined by the quality of individuals working within it. Facing rapidly changing environmental conditions demands their ability to respond to such phenomena. The role of Human Resource Management (HRM) in an organization is not merely administrative; rather, it is more focused on how to develop the potential of human resources to become creative and innovative.

Regardless of the size of an organization/company, the effectiveness of human resource management is considered to influence the performance of the organization. This role becomes crucial in navigating the challenges of a swiftly evolving environment, requiring HRM to go beyond administrative functions and actively contribute to the development of human resources to foster creativity and innovation.

Talent management has become a key aspect garnering increasing attention in the context of human resource management across various companies. With the rapid and competitive changes in the business environment, companies are becoming more aware that their success heavily relies on their ability to manage and leverage the outstanding talents possessed by their employees. Equally important, however, is the perspective of the employees within the context of talent management.

For employees, talent management is not merely a term involving corporate strategies to attract and retain personnel. Beyond that, it serves as the foundation for career development and recognition of their contributions towards achieving the company’s goals. From the employees’ standpoint, talent management creates an environment that fosters professional growth, provides opportunities to develop skills, and acknowledges their achievements.

The significance of talent management from the employees’ perspective goes beyond efforts to recruit and retain high-quality workforce; it encompasses how companies empower employees as valuable assets. Employees want to feel valued and be given opportunities for growth, allowing them to contribute optimally in line with their potential.

In this context, this article will further delve into talent management from the employees’ standpoint, exploring how companies’ efforts in talent management can create a positive impact on employee motivation, loyalty, and performance.

2. LITERATURE REVIEW

2.1 Definition of Talent Management

Talent refers to employees within an organization or company who can exert above-average influence through outstanding performance or possessing potential that can impact the organization's short-term and long-term development. The term "talent" applies to all functions and groups within the organization or company [5]. Talent management can exist and evolve due to the phenomenon of the war for talent that emerged in American companies in 1997. Many organizations were expected to face challenges in retaining the best resources and experienced difficulties in recruiting potential employees with high skills due to increased competition and a limited pool of candidates [6]. There are various definitions or interpretations of talent management, but...
fundamentally, the meaning and purpose of talent management remain the same. Here are some definitions of talent management according to experts:

1. [7] defines talent management as a concept that begins with how to plan, acquire, develop, and retain talent within an organization or company.
2. [8] states that talent management is a systematic activity that influences the potential development of employees’ talents.

**Talent Management Process**

![Talent Management Process](image)

Based on the diagram, it can be observed that the talent management process is interconnected. According to Berger & Berger (2011), talent management consists of four main processes:

1. Inclusion: The state in which each individual feels part of the organizational process.
2. Engagement: The relationship between the organization or company and its employees. In the engagement process, the talent management model ensures that employees are enthusiastic about their work and take positive steps to enhance the organization’s or company’s reputation.
3. Competencies: Affirming that employees possess the right competencies to work within the organization and achieve its goals.
4. Retention: Ensuring that employees remain within the organization and do not move to other companies.

**The sub-processes of talent management are as follows:**

1. Sourcing: A disciplined talent acquisition process focusing on recruitment and talent identification. The actions in the sourcing process include:
   a. Succession Management: Identifying and developing employees with the potential to fill specific positions within a company or organization.
   b. Branding: Employees differentiating themselves by the work they do compared to employees in other companies or organizations.
   c. Workforce Planning: An advanced process used to align organizational needs and priorities with workforce requirements to ensure goals, legislative requirements, production services, and regulations are met.
   d. Recruiting: The process of determining and hiring candidates with the best qualifications for job vacancies cost-effectively and efficiently.
2. Aligning: The process of aligning employees with the company’s strategic goals and culture. Steps taken in the aligning process include:
   a. Onboarding: The process of providing new employees with various knowledge, skills, and behaviors to become effective members of the organization.
   b. Strategic Pain/Goal Alignment: Uniting employees with the organization’s goals and strategic plans.
c. Performance Management: A collaborative process between managers and employees to plan, monitor, and review employees’ performance and contributions to the company.

3. Learn and Develop: The process where employees learn and develop their skills to achieve better careers within the organization.

4. Reward: The outcome of formulating and implementing strategies and policies aimed at fairly, consistently, and in line with an employee’s values, providing rewards to employees in the company or organization.

2.2 Definition of MSMEs

Micro, Small, and Medium Enterprises (MSMEs) are businesses with a limited scope of market, a small workforce, and are self-managed by the business owner [9]. According to the World Bank, MSMEs are businesses that meet two out of three criteria, namely employee strength, asset size, or annual sales [10]. In the Republic of Indonesia Law Number 20 of 2008 concerning Micro, Small, and Medium Enterprises, MSMEs are categorized based on several criteria:

1. Micro Enterprises Criteria are as follows: a) Having a net worth of up to Rp 50,000,000.00 (fifty million rupiahs), excluding land and building assets for business premises; or b) Having annual sales of up to Rp 300,000,000.00 (three hundred million rupiahs).

2. Small Enterprises Criteria are as follows: a) Having a net worth more than Rp 50,000,000.00 (fifty million rupiahs) up to Rp 500,000,000.00 (five hundred million rupiahs), excluding land and building assets for business premises; or b) Having annual sales more than Rp 300,000,000.00 (three hundred million rupiahs) up to Rp 2,500,000,000.00 (two billion five hundred million rupiahs).

3. Medium Enterprises Criteria are as follows: a) Having a net worth more than Rp 500,000,000.00 (five hundred million rupiahs) up to Rp 10,000,000,000.00 (ten billion rupiahs), excluding land and building assets for business premises; or b) Having annual sales more than Rp 2,500,000,000.00 (two billion five hundred million rupiahs) up to Rp 50,000,000,000.00 (fifty billion rupiahs).

[8] asserts that talent management is a systematic activity responsible for the potential development of talents with the aim of enhancing competitive advantage, organizational performance, and maximizing organizational productivity. [11] states that performance is the success of an organization in achieving strategic goals previously set, with expected behaviors established by the organization. The performance of SMEs is the result achieved by an individual, completed with individual tasks within the company and over a specific period, connected to the value or standards of the company where the individual works.

Based on the opinions above, it can be concluded that performance is a crucial aspect in a company, representing an individual’s work results, including quantity, quality, responsibility, skills, and independence in completing assigned tasks within a company or institution. According to [11], there are four factors influencing SME performance: (a) Capital: Challenges in financial management, triggering a lack of banking capital due to traditional financial management practices. Entrepreneurs often struggle to differentiate operational funds for the company from personal or household funds. (b) Human resources: Limited knowledge of new technologies that can accelerate production and a lack of knowledge to control product quality. (c) Legal aspects: Many SME entrepreneurs are not legally registered, typically operating as individual or family businesses. (d) Accountability: Generally, SMEs in Indonesia lack proficiency in
effective company management and administrative skills.

Figure 2. Overlay Visualization by VOS Viewer

The results of the analysis using VOS Viewer regarding talent management in SMEs (Small and Medium Enterprises) can provide valuable insights into the structure and distribution of topics in this context. Here are some elements that can be observed from the analysis results and network visualization using VOS Viewer:

1. Identification of Key Keywords: Network visualization can help identify key keywords that frequently appear in the context of talent management in SMEs. These keywords reflect the main focus or crucial aspects related to talent management.

2. Topic Clusters: VOS Viewer tends to form clusters or groups of keywords that are closely related to each other. These clusters create a picture of groups of topics or concepts that are interrelated in the context of talent management in SMEs.

3. Relationships Between Topics: Network visualization provides an overview of how closely related topics or keywords are to each other. Lines or connections between elements in the graph indicate the extent to which two concepts are related. This helps in understanding how these concepts interact.

4. Central Nodes: Network analysis can also identify central nodes or elements with strong connections to many other elements. These central nodes may reflect concepts or aspects that are central to the focus of talent management in SMEs.

5. Trends or Patterns: Through visual analysis, you can observe certain trends or patterns that emerge in the distribution of topics. This may include a greater focus on skill development, talent identification, or perhaps specific challenges faced by SMEs in talent management.

6. Identification of Blank Spaces: Analysis can also reveal blank spaces or concepts that are less represented in the literature or documents related to talent management in SMEs. This could present opportunities for further research or the development of new initiatives.

With these results, stakeholders, researchers, or talent management practitioners can take concrete steps to enhance understanding and practices of talent management in SMEs. The visualized network results can serve as a foundation for formulating policies, strategies, or training programs that are more targeted and effective in supporting talent development in the SME sector.

Figure 3. Density Visualization by VOS Viewer
Density visualization of talent management in the context of Micro, Small, and Medium Enterprises (MSMEs) serves as a powerful tool to depict the concentration and interconnectivity of various topics within this underexplored area. Here’s an explanation of how the density visualization results could be presented. In summary, density visualization results can provide a nuanced understanding of the landscape of talent management in MSMEs, enabling informed decision-making, targeted research efforts, and strategic interventions to enhance talent development in this critical sector.

3. METHODS
This literature review employs a systematic literature review approach, following the systematic review method (Briner & Denyer, 2012).

3.1 Bibliometric Analysis
Journals obtained from Scopus and Taylor and Francis Group were subjected to bibliometric analysis using the keywords “Talent Management” and “Employee.” A total of 2,259 journals were obtained. These journals were then downloaded in RIS (Research Information System) format. The RIS files were imported into the Mendeley Reference Manager application. After importing into the application, the RIS format from each journal was transformed (exported) into a consolidated RIS format for all the journals. Subsequently, the comprehensive RIS file was input into the Vosviewer Software to generate a graphical representation of the bibliometric map.

3.2 PRISMA (Preferred Reporting Items for Systematic Review and Meta-Analysis)
This research employed the PRISMA (Preferred Reporting Items for Systematic Review and Meta-Analyses) method [12]. Journals were sourced from Scopus and the Taylor and Francis Group, using the keywords “safety work” or “safety job,” resulting in 2,259 journals. Further refinement was done by adding the keyword “SME,” reducing the number to 154 journals. Subsequently, the 154 journals were filtered based on the country, specifically Indonesia, resulting in 7 articles that will be examined through a Systematic Literature Review.

Based on the table above, we can see how the increase in divorce rates from 2019-2020 in Bandung City increased by 4,713, Serang Regency experienced an increase of 289 and in East Jakarta experienced an increase of 35 cases recorded in the local population and civil registration office as a sample representing various provinces. We can observe together in divorce cases not
Based on this, after the divorce their parents decided to entrust their children to orphanages for various reasons. The results of this study can reveal that divorce occurs because it is influenced by several factors that
have been mentioned above. Parents should have a protective role, tasked with meeting the needs of children, cultivating basic social rules and teaching the process of early socialization in society. If the role of parents is neglected, then children will have difficulty in socializing in society. Therefore, parents must understand each other’s roles and support each other, so as to minimize divorce and can support the development of children in the future.

4. RESULT AND DISCUSSION

Table 1. Articles To Be Compared

<table>
<thead>
<tr>
<th>Researcher Name</th>
<th>Article Title</th>
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<tbody>
<tr>
<td>Heru Yulianto, Y. Sutomo, Galuh Aditya</td>
<td>Implementation Talent Management to Improving Employment Productivity at Small Medium Enterprises (Sme)</td>
</tr>
<tr>
<td>Agustin Amborowati, Yeni Fajariyanti, Haryanto, Agreianti Puspitasari</td>
<td>Talent Management Implementation for Umkm Recovery</td>
</tr>
<tr>
<td>Tn Krishnan, Hugh Scullion</td>
<td>Talent Management and Dynamic View of Talent in Small and Medium Enterprises</td>
</tr>
<tr>
<td>Maniam Kaliannan, Mathew Abraham and Vanitha Ponnusamy</td>
<td>Effective Talent Management in Smes</td>
</tr>
<tr>
<td>Wenjia Cui, Zaheer Khan, Shlomo Y. Tarba</td>
<td>Strategic Talent Management in Service Smes</td>
</tr>
<tr>
<td>Baublyte, Daiva</td>
<td>Talent Management: Myth Or Reality in Today’s Smes: A Study into The Importance and Use of Talent Management Within Small and Medium-Sized Enterprises</td>
</tr>
</tbody>
</table>

Based on the article by Heru Yulianto, it can be explained that employees who can be categorized as having talent can be identified through their attitudes and behaviors, including:

1. Talented employees possess the ability to create and contribute to the formulation of rules (breaking the rule) used to enhance performance. They have the capability to assist in devising rules that can improve overall efficiency.

2. Talented employees can easily adapt to changes. Such employees are crucial for Small and Medium Enterprises (SMEs) to promptly adjust to shifts in consumer behavior in an increasingly competitive business environment.

3. Talented employees often serve as reliable sources of information within their unit or organization. These individuals contribute to SMEs by providing trustworthy data, offering valuable advice, and creatively shaping new initiatives, ultimately steering them toward improvement.

4. Talented employees have the ability to foster innovation. Innovation is essential for SMEs to modify products to tap into market opportunities, swiftly adapt to new technologies in the production process, and stay competitive.

5. Talented employees have the ability to continuously improve products and preferably do so in the best possible manner. They can guide other employees to complete tasks...
and take responsibility for their work.

6. Talented employees inspire and motivate their colleagues. They possess the ability to encourage others to promptly accomplish tasks aligned with the SME’s goals. They also have the capacity to shift mindset towards a more positive direction.

The implementation of talent management is determined by workforce characteristics. Managing employee talent is a requirement in the context of Small and Medium Enterprises (SMEs). The primary requirements for effective talent management in SMEs are criteria that need to be linked to SMEs’ strategic priorities. This can impact the emphasis placed on selection in SMEs and can determine the understanding of talent. Understanding talent in SME management is crucial, especially during the employee selection process. As mentioned earlier, selecting employees with talent will add the best value to SMEs. Therefore, examining the selection decision-making process is a crucial factor that determines talent characteristics in the context of SMEs. Smart recruitment and hiring strategies, excellent training programs, and methods for nurturing both high-performing employees and freelancers can enhance employee productivity for SME development.

According to the results of empirical research conducted by [13], it is explained that based on the results and discussion of the study, it can be concluded that the talent management process emphasizes that Small and Medium Enterprises (SMEs) in Surakarta implement 8 aspects of Talent Management, namely organizational strategy and talent definition, talent identification, training and empowerment, appreciation, involvement, retention and career path, total quality management, and technology. Employees of SMEs feel a high level of satisfaction in terms of talent attraction, talent development, talent retention, and organizational performance.

Based on the study findings, the following recommendations are proposed:

a. Increase financial rewards for employees based on their work. This will lead to improved performance, contributing to organizational success.

b. All SME organizations should introduce talent management strategies into their strategic planning to remain competitive in the current market.

c. Replicate this research in different sectors of SMEs with different locations.

Talent management is an area of growing importance in a wider range of organizations and has emerged as a key HR challenge facing firms in a variety of sectors [14]. The literature on talent management is not well grounded in research and is dominated by business and consulting firms who lead in advancing a vision on the discourse of TM [15]. The academic field of TM is characterised by limited theoretical and conceptual development and unresolved issues remain over the definition and boundaries of the term talent management [16]. Studies have argued for the need for more conceptual work in the area of talent management [17], [18].

Based on article by Wenjia Chui indicates the findings also indicate that work environment, career advancement opportunities, and a good compensation package are acknowledged as a best strategy for attracting talent. The SMEs use various recruitment strategies; internship is one of most frequent ones for the recruitment of new talent, which SMEs consider to be a good approach to nurturing new talent. The findings further suggest that Chinese SMEs use similar approaches to those used by firms in developed markets, but Chinese SMEs pay more attention to the compensation package and job roles. Overall, the findings indicate that SMEs take both a universalist and a selective performance–oriented approach when it comes to talent management.
Now we will discuss the findings from Janet Kyogabirwe's research. The findings further show that there is a significant relationship between TM and performance of SMEs. This implies changes that occur in TM have a positive influence on performance of SMEs. This agrees with the findings of [19] in his study in [20]. The same relationship was established by [21] in SMEs in Malaysia and the relationship was established in India where [22] used a sample of professionals in Indian information technology firms to evaluate the impact of TM on organizational performance. The authors suggested that there is need for organizations to develop indicators that will assist in assessing the progress of talented employees at different stages of their careers, in order to improve organizational performance.

The findings further indicate that there is a significant positive relationship between TM and KM. The finding agrees with the findings of [23]; [24]; [25] noted that TM the composite of (attraction, development, retention and deployment) can create the most permanent competitive advantage because the collective skills and knowledge of the talent employed in an organization largely comprise the organization's core capabilities.

5. CONCLUSION

Talent management is a strategic approach that focuses on the identification, development, recruitment, and retention of talented individuals within an organization. The implementation of talent management, especially in the context of Small and Medium Enterprises (SMEs), has several advantages that can contribute to the enhancement and success of the business.

Here is a summary of talent management and its advantages in improving and succeeding SMEs:

1. Effective Human Resource Management: Talent management helps SMEs manage human resources more effectively, including planning, recruitment, development, and retention of a talented workforce. This ensures the presence of a qualified and competent team.

2. Discovery and Development of Local Talent: By focusing on talent management, SMEs can discover and develop potential local talents. This may include skill enhancement, training, and career development to improve productivity and employee contributions.

3. Performance Improvement and Innovation: Capturing, developing, and utilizing talent within the organization can stimulate innovation and performance improvement. Employees who feel valued and have development opportunities are more likely to contribute maximally to SMEs’ growth.

4. Adaptation to Change: Talent management helps SMEs face market and business environment changes quickly. With an adaptive and skilled team, SMEs can more easily adapt to external condition changes.

5. Employee Retention Enhancement: Focusing on career development and employee well-being can increase retention rates. This is crucial because employee retention can reduce recruitment costs and ensure operational continuity.

6. Enhancement of Company Image: Effective implementation of talent management can enhance the company’s image in the eyes of employees and customers. A positive image can help SMEs gain customer trust and build long-term relationships.

7. Risk Management: Having a talented and trained team can reduce the risk of failure or errors in business operations. Skilled employees are likely to make
better decisions and manage risks more effectively.

By implementing the concept of talent management, SMEs can reap significant benefits for business growth and success. This creates a strong foundation for innovation, competitiveness, and sustainability in a competitive market.

REFERENCES