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# EXAMINING THE MEDIATING ROLE OF DIGITAL CULTURE ON DIGITAL TALENT IN THE TELECOMMUNICATION SECTOR

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**Abstract**: The digital era is an era that cannot be avoided anymore. This era is characterized by the development of technology and the rapid flow of information. This digital transformation means that employees must have digital skills to adapt to the times. PT Telkom Indonesia Tbk (Telkom), the largest telkom company in Indonesia, also faces challenges in preparing digital talent that suits the company's needs in the future. One of these challenges is the existence of a talent war that results in each company having to be able to compete. The purpose of this study is to identify the characteristics of digital talent and analyze the influence of HR management, digital literacy, HR risk, digital leadership, and digital culture on PT Telkom Indonesia's digital talent. This study uses primary data obtained from 140 respondents of PT Telkom Indonesia employees from 14 work locations of digital talent employees. The method used in this research is Structural Equation Modeling - Partial Least Square (SEM-PLS) analysis. The results of this study indicate that HR management, digital literacy, HR risk, digital leadership, and digital culture affect digital talent. Then, digital culture can mediate HR management, digital literacy, HR risk on digital talent. Meanwhile, digital culture does not successfully mediate digital leadership. The managerial implication of this research is that companies are expected to know the factors that form digital talent so that companies can prepare the right methods in managing digital talent.

**Keywords**: Digital Culture Digital Leadership, Digital Literacy, SEM-PLS, Talent Management

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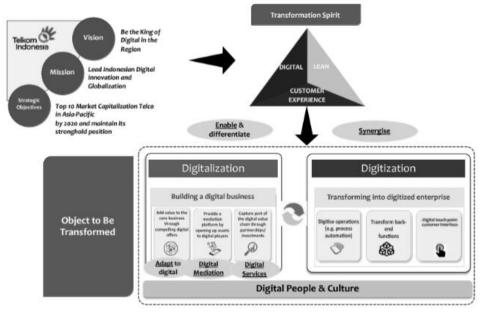
#### INTRODUCTION

The development of the digital era is also known as digital transformation. This evolutionary process relies on capabilities and digital technology to create or change business processes, operational processes, and customer experiences to create new value (Morakanyane, 2017). Based on data from the World Bank, Indonesia has had a shortage of 9 million digital talents in the last 15 years. The research by the International Monetary Fund (IMF) states that 2 million job positions must be replaced with digital field positions, and there are 9.5 million jobs affected by artificial intelligence. It means that employees must be able to adapt and have competitive skills in this era of digital transformation.

In 2001, the World Economic Forum (WEF) published a series of reports called the Global Talent Competitiveness Index or better known as the GTCI, which aims to create a Country Competitiveness Ranking based on Human Resources or better known today as "Talent" the aim of measuring a developed and developing country based on the level of competitiveness of human resources (HR) in international market. The World Economic Forum (WEF) Report summarized the last five years of 2018 - 2022. Indonesia has experienced a decline in the skills or skills of the Indonesian human resources. Therefore, the Indonesian government

implements talent management in the government agencies, ministries, and local governments whose employees are succession-based State Civil Apparatus (ASN) to ensure the process of the implementing management with the term merit system. One government institution that implements the talent management is the State-Owned Enterprises (SOEs).

One of the SOEs with good digital talent management is PT Telkom Indonesia. It is because this company is the only one with a digital talent development division. Thus, this company is a role model for other companies in implementing digital talent management. PT Telkom Indonesia Tbk (Telkom), the largest Telkom company in Indonesia, also faces challenges in preparing digital talents that meet the company's needs in the future. As one of the industry players, Telkom strives to identify the best talent early on by developing a Human Capital System for digital talent that supports the company's strategic plan contained in the Corporate Strategic Scenario (CSS) document to become the Digital Telco of the first choice to advance society. The digital talent problems at PT Telkom Indonesia (Persero) Tbk include the lack of digital talent with global ICT competence, digital talent wars between companies that offer attractive compensation and careers, and high employee turnover.



Source: Telkom CCS (2021-2025)

Figure 1. Digital transformation in Telkom Business Group

This digital talent problem triggers human resource risks for PT Telkom Indonesia (Persero) Tbk employees. Human resource risk has the potential to harm the company. It is because human resources are the company's main asset which is very valuable or a large investment that will be the main factor and determine a company's success. Human resource management is one of the steps in getting digital talent. Dessler (2020) said that recruitment and selection are determining indicators of getting quality talent. In addition, employees' knowledge of digital literacy is one of the essential things to develop, especially in improving their digital capabilities. The environment and digital work culture influence a company's digital capabilities (Ahmad et al., 2016). Implementing digital work principles will indirectly help improve the digital capabilities of its employees. Another thing that has the potential to prepare digital talent is the leadership carried out by the company. Digital leadership is one of the factors in preparing digital talent. The leadership style affects the company's culture and work system (Jong, 2010).

This study aims to analyze the influence of HR management, digital literacy, HR risk, digital leadership, and digital culture on the digital talent of PT Telkom Indonesia. Through this research, it is hoped that the company can manage its digital talent to suit its needs. Thus, the company can maintain the quality of its resources and compete with other companies.

# LITERATURE REVIEW HR Practices

Human resource management practices refer to interrelated activities to ensure the employee management contributes to effective organizational performance (Walford-Wright and Scott-Jackson, 2018). Dessler (2020) stated that the human resource management practices include recruitment and selection, training and development, performance appraisal, and compensation. HR practices are different from HR management. Human Resource Practices are activities designed to implement the Human Resource Management function (Delery and Doty, 1996).

#### **Digital Literacy**

Literacy can be interpreted as the mastery of simple and practical skills that bring deep understanding and transformation of human thinking (Yuan et al., 2021). Literacy can be defined as the mastery of simple and practical skills that bring about deep understanding and transformation of human thinking abilities (Belshaw, 2012). In the 21st century, with the advent of new technologies and Web tools, the demand for learning by individuals, society and educational authorities has become very complex since new technologies result in the skills and knowledge required in a technology-oriented workplace. New literacies have evolved or have been redefined for a lifelong learning perspective (Carneiro and Draxler, 2008).

#### **HR Risks**

According to Becker and Smidt (2016), risk management is managing financial or economic risks and relationships that arise in the management process. It includes strategies and tactics for management actions and consequences that affect the company. Risk management is not just about compliance or about restraining risk-taking. Elahi (2013) argued that in a world of complexity and a rapidly changing environment, effective risk management can be a source of competitive advantage.

#### **Digital Leadership**

Digital leadership is a combination of digital culture and digital competence. The study of digital leadership is part of the study of leadership discourse (Schein, 2010). Leadership is the capacity to guide the firm toward achieving its goals and establishing a sustainable competitive advantage. To maintain a sustainable competitive advantage, companies must have products and technical systems that accelerate and enable production, communication, and cost reduction and the ability to use these products and systems optimally (Uğural, 2020).

#### **Digital Talent**

Digital talent is also defined as individuals who possess and productively work at different levels, various innate and acquired digital capabilities, competencies, and skills through the operation of organizational settings in the technology industry and are responsible for the activities, roles, and tasks they carry out (Dan et al., 2021). The lack of human resources with digital capabilities, while the times demand that companies adapt to

these changes. Thus, companies compete to get digital talent.

### **Digital Culture**

Schein (2010) said that digital culture is a concept that describes the idea that technology and the internet significantly shape the way we interact, behave, think, and communicate as humans in a community environment. Organizational culture is valued, symbols that are understood and obeyed together. An organization owns an organization's culture states a differentiator between one organization and another organization (Marta, 2011). Organizational culture is a value system that all the members believe in. The organization learned, applied, and developed an adhesive system as a reference for the company in achieving its goals (Raf, 2014).

# HYPOTHESIS DEVELOPMENT HR Practices

HR management refers to interrelated activities that ensure employee management contributes to effective organizational performance (Becker and Smidt, 2016). The human resources are the most important asset in a company. In the digital transformation era, the human resources who can adapt to the times are needed. Based on this, hypothesis 1 in this study is:

**H1**: HR management has a significant effect on digital talent.

#### **Digital Literacy**

Digital literacy is one of the abilities that digital talent needs to have. It is because digitalization knowledge helps resources understand and implement their digital theory. Thus, hypothesis 2 in this study is:

**H2**: Digital literacy has a significant effect on digital talent.

#### **HR Risks**

The limited digital talent available results in a talent war between companies. Companies will compete to get digital talent by creating or developing digital talent. Therefore, companies need to know the human resource risks that occur in company if the digital talent is not fulfilled. It aligns with research by Becker and Smidt (2016), which stated that the company has human resource risks

if it cannot compete with changing times. Thus, hypothesis 3 in this study is:

**H3**: HR risk has a significant effect on digital talent.

## **Digital Leadership**

Digital leadership is associated with how the digital-based leadership styles are applied to the company. The leadership style determines the company's culture and work environment (Karacay, 2018). Thus, digital leadership also has the potential to create digital talent in a company. Therefore, hypothesis 4 in this study is:

**H4**: Digital leadership has a significant effect on digital talent.

#### **Digital Culture**

Organizations must develop work standards to ensure that employees will work professionally. This standard is often called organizational culture, which systematically guides employees to build work commitment to the organization. It is one of the causes of digital culture in a company. Bughin et al. (2017) stated that digital culture could improve the ability of human resources in digital companies. Thus, hypothesis 5 in this study is:

**H5**: Digital culture has a significant effect on digital talent.

# HR and Digital Talent Management

HR management improves organizational performance by contributing to employee and customer satisfaction, productivity, innovation, and the development of a good reputation among the corporate community (Nofrita et al., 2020). New methods are needed that align with the needs of digital talent to manage digital talent. This results in companies continuing to innovate in managing their human resources. Thus, hypothesis 6 in this study is:

**H6**: HR management has a significant effect on digital talent through digital culture.

# **Digital Literacy and Digital Talent**

One of the abilities possessed by digital talent is digital literacy (Yuan et al., 2021). Digital literacy is an ability that aims to identify and use technology appropriately, creatively, and critically for various things (Yuan et al., 2021). The importance of this ability results in companies being ab-

le to identify digital literacy needs in their resources. Thus, hypothesis 7 in this study:

**H7**: Digital literacy has a significant effect on digital talent through digital culture.

## **HR** and Digital Talent Risk

The increasing need for digital talent has resulted in companies continuing to compete for the best digital talent. However, the limited digital talent has caused a talent war (Kraev, 2019). Companies that cannot compete will lose digital talent, resulting in human resource risks for the company. Therefore, hypothesis 8 in this study is:

**H8**: HR risk has a significant effect on digital talent through digital culture.

# **Digital Leadership and Digital Talent**

Digital Leadership is needed in the digital transformation process to initiate change and technology utilization from various sectors. Digital leaders can accelerate the organization's transformation (Schein, 2010). Thus, digital leadership is needed in managing digital talent. Therefore, hypothesis 9 in this study is:

**H9**: Digital leadership has a significant effect on digital talent through digital culture.

#### Research Model

In this study, digital culture is a mediating variable whose function is to mediate the relationship between the independent and the dependent variables (Creswell, 2014). The research model is shown in Figure 2. In this study, researchers did not see the influence between the independent and mediating variables. It is because this study aims to see what factors affect digital talent. so that researchers do not involve the influence of human resource management, digital literacy, human resource risk, and digital leadership on digital culture.

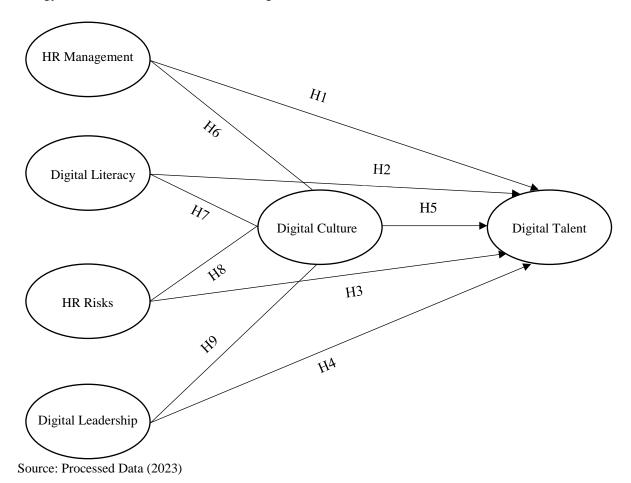


Figure 2. Structural Equation Modeling (SEM)

#### **METHOD**

This quantitative study uses primary data conducted in all offices of PT Telkom Indonesia. Primary data in this study came from distributing the questionnaires to 140 respondents. Sampling in this study used a nonprobability sampling method with a quota sampling technique, with ten respondents each in 14 work locations of digital talent employees. The work locations of digital talent employees consist of Telkom Regional I Sumatra Telkom Regional II Jabodetabek, Telkom Regio-

nal III West Java Banten, Telkom Regional IV Central Java and DIY, Telkom Regional V East Java Bali Nusra, Telkom Regional VI Kalimantan, Telkom Regional VII Eastern Indonesia, Telkom Enterprise Service Division (DES) Jakarta, Telkom Government Service Division (DGS) Jakarta, Telkom Business Service Division (DBS) Jakarta, Telkom Digital Business (DDB), Telkom Service Operation (DSO), Telkom Directorate Network and IT Service (NITS), and the Telkom CEO Office.

Table 1. Definition of Operational Variables of HR Management, Digital Literacy, HR Risk, and Digital Leadership

Construct	Sub Variables	Code	Indicator		
HR Management	Staffing	X1.1	Team structure and composition		
(Becker and Smidt, 2016)	Performance management and compensation	X1.2	Reward and incentive system		
	Change management	X1.3	Change of workplace		
	Technology	X1.4	HRIS and e-HR Implementation		
	HR management system	X1.5	Employee satisfaction		
Digital Literacy	Operational	X2.1	Download and open files		
(Van den Berg et	Information navigation	X2.2	Looking for information online		
al., 2020)	Social	X2.3	Share online information		
	Creative	X2.4	Design website		
	Mobile	X2.5	Install apps on mobile devices		
HR Risk	HR planning risk	X3.1	Placement plan		
(Sobocka-Szczapa,		X3.2	Design requirements		
2021)	Recruitment and selection risk	X3.3	Effectiveness of candidate search		
		X3.4	Effectiveness of the selection process		
	HR training and development risk	X3.5	Relevance of training		
		X3.6	Trainer Qualifications		
		X3.7	Type of training		
	Compensation and benefits risk	X3.8	Direct compensation		
		X3.9	Indirect compensation		
	Termination risk	X3.10	Voluntary termination		
		X3.11	Non-voluntary compensation		
Digital Leadership	Communicational skill	X4.1	Communication Usability		
(Chung and van	Social skill	X4.2	Socialization		
der Lippe, 2020)	Team building skill	X4.3	Virtual teamwork		
	Change management	X4.4	Adaptation to change		
	Technological skill	X4.5	Technical skills		
	Trustworthiness	X4.6	The trust of coworkers and superiors		

Source: Processed Data (2023)

Table 1. Definition of Operational Variables of Digital Talent and Digital Culture

Construct	Sub Variables	Code	Indicator		
Digital Talent	Digital talent attraction	Y1.1	Employer branding		
(Dan et al., 2021)	Digital talent development	Y1.2	Career Advancement		
		Y1.3	Compensation		
		Y1.4	Enhance organizational and job-related satisfaction		
	Digital talent retention	Y1.5	Good work environment		
		Y1.6	Flexible work		
		Y1.7	Job performance evaluation		
Digital Culture (Schein, 2010)	Digital leadership	Z1.1	Characteristics and behaviors of digital leadership		
	Adaptive mindset and collective habits	Z1.2	Create a common collective culture		
	Team agility and empowerment	Z1.3	Individuals with different skill sets		
		Z1.4	Providing teams with the digital tools and required resources		
	Digital workplace experience	Z1.5	The workplace environment		
		Z1.6	Work design		
	Social media interconnectivity	Z1.7	Engage through internal social media tools		

Source: Processed Data (2023)

# **RESULTS Respondent Characteristics**

This research was conducted on 140 respondents and was dominated by 84 men and 56 women. It is in line with actual data from the company's annual report, which stated that men dominate the composition of the employees based on gender compared to women. Employees in the age group 31-35 years dominate the characteristics of respondents based on age. That is because employees aged 31-35 are included in the productive age category at work.

Based on the characteristics of the last education, many respondents in this study graduated from Strata One (S1), totalling 96 people. The Strata One (S1) education level is the standard education in the recruitment process at PT Telkom Indonesia (Persero) Tbk. The respondent division in this study was dominated by technology division, totaling 53 people. Because this research aims to identify digital talent, many respondents are very suitable for this research.

Based on work experience criteria, PT Telkom Indonesia (Persero) Tbk have 102 employees who already have work experience. The working period of respondents in this study was dominated by 1-5 years, as many as 71 people. It is because most of the respondents in this study have work experience outside this company, so their working period is still relatively short. Based on the criteria for job rotation experience while at PT Telkom Indonesia (Persero) Tbk, most respondents in this study have never experienced job rotation. It is because most respondents are employees who have worked for 1-5 years, so they have not experienced job rotation.

### **SEM - PLS Analysis**

This study uses Structural Equation Modeling (SEM) with the partial least square type (PLS-SEM) using SmartPLS 3.0 version software. This type of SEM is used because it does not require a correlation between indicators or latent variables and can predict the dependent variable with many independent variables. It aims to test the predictive relationship between constructs by looking at the relationship or influence between constructs. Sarwono (2010) stated that the PLS analysis method

can measure various assumptions and the number of samples.

According to Ghozali and Latan (2015), Structural Equation Modeling (SEM) is an analytical method to determine the specification and estimation of the model with a linear relationship between variables. PLS-based variance is an analytical method that aims to test predictions of relationships between constructs by reviewing the influence and relationships between constructs.

Sarwono (2010) revealed that the SEM-PLS consists of two subsections: the measurement model, or outer model and the structural model, or inner model. The outer model explains the relationship between endogenous variables and exogenous variables. The relationship between endogenous variable indicators and exogenous latent variables can be seen from the results of the outer model calculation. Meanwhile, the inner model explains the relationship between all exogenous variables. The inner model recognizes which latent variables can directly or indirectly affect the changes in the value of the other latent variables in the mo-

del.

# **Evaluation Analysis of Measurement Model** (Outer Model)

The measurement model evaluation analysis (outer model) aims to determine how each indicator is related to its latent variable. According to Ghozali and Latan (2015), measurement model evaluation goes through three stag: convergent validity, discriminant validity, and composite reliability. The convergent validity test is carried out using SmartPLS 3.0 software which is assessed based on the correlation between the internal and construct scores. According to Ghozali and Latan (2015), an indicator is valid if its loading factor value is more than 0.70 and the Average Variance Extracted (AVE) value is more than 0.50. If the initial construct has not met the requirements, the indicator is eliminated (dropping) one by one against the lowest loading factor value. After the indicator elimination stage is completed, the research constructs are calculated again to obtain the final model calculation.

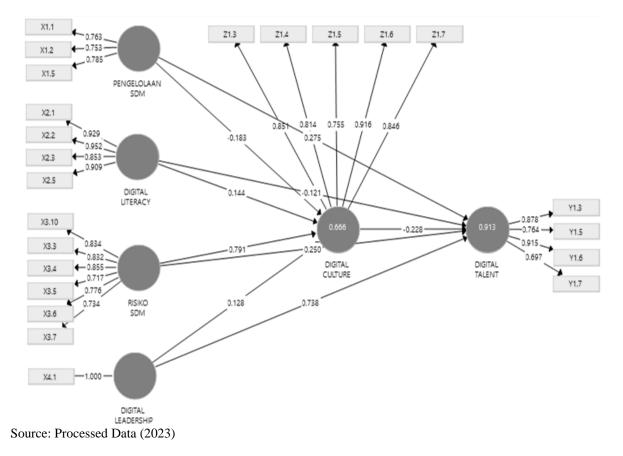


Figure 3. Direct Effect Hypothesis Test Results

Based on Figure 3, it is known that the latent variable of human resource management is reflected by three dimensions, namely, team structure and composition (X1.1), reward and incentive system (X1.2), and job satisfaction (X1.5). The dimension of job satisfaction (X1.5) is the dimension that has the largest loading factor value, so this dimension is stated to have the most influence on the latent variable of human resource management, which is 0.785. It indicates that employee satisfaction is one factor that is the focus of human resource management. This results in the company must be able to manage its human resources to remain loyal to the company. It is also supported by previous research, which states that employee satisfaction has an impact on employee productivity. (Wulansari, 2020).

The dimensions that reflect the latent digital literacy variable are downloading and opening files (X2.1), looking for information online (X2.2), sharing online information (X2.3), and installing apps on mobile devices (X2.5). The dimension of looking for the information online (X2.2) is the dimension that has the largest loading factor value, so this dimension is stated to have the most influence on the digital literacy latent variable, which is 0.952. It shows that employees can find information online well, so they will have no difficulty searching or increasing their digital literacy. It is supported by the previous research, which explains that digital literacy is one of the pillars of digital talent (Nair, 2019)

The dimensions that reflect the human resource risk variables are candidate search effectiveness (X3.3), selection process effectiveness (X3.4), the training relevance (X3.5), trainer qualifications (X3.6), training type (X3.7), and the voluntary termination (X3.10). The dimension of the effectiveness of the selection process (X3.4) is the dimension with the largest loading factor value, so this dimension is stated to be the most influential on the latent variable of human resource risk, which is 0.855. It shows that the selection process is vital in preventing human resource risk, especially in getting digital talent. Special qualifications are needed during the selection process. It is supported by previous research, which says that the selection process determines the character of company employees (Silvanto and Ryan, 2018).

The dimension that reflects the digital lead-

ership variable is the usability of communication (X4.1). This dimension is the only dimension that affects the digital leadership latent variable with a loading factor value of 1.000. It shows that the use of communication is one of the crucial factors in creating digital leadership. It has an impact on its employees because the leadership style affects the work environment, including its employees (Kristanti and Harahap, 2012).

The dimensions that reflect the digital talent variable are compensation (Y1.3), good work environment (Y1.5), flexible work (Y1.6), and job performance evaluation (Y1.7). The flexible work dimension (Y1.6) is the dimension that has the largest loading factor value, so this dimension is stated to have the most influence on the digital talent latent variable, which is 0.915. It shows that flexibility at work is one of the crucial factors in digital talent. It is because digital talent can carry out their work anywhere and anytime if the technology and facilities are needed. The previous research supports this by saying that the digital talent can work with unlimited distance or time (Shikweni et al., 2019).

The dimensions that reflect digital culture variables are the effectiveness of individuals with different skills (Z1.3), Providing teams with the digital tools and required resources (Z1.4), workplace environment (Z1.5), work design (Z1.6), and engaging through the internal social media tools (Z1.7). The dimension of work design (Z1.6) is the dimension that has the largest loading factor value, so this dimension is stated to be the most influential on the digital culture latent variable, which is 0.916. It shows that the company's work design is related to digital culture. Implementing job design in companies with digital culture is different from companies that apply conventional culture. Previous research says that employee character is formed from habits or the work environment (Schein, 2010).

In addition, discriminant validity is also assessed by comparing the square root of the Average Variance Extracted (AVE) on each construct. The results of the AVE value of each latent variable have a value above 0.5, so it can be said that latent variables can explain 50 percent or more of the variance of the indicators, and the research model meets the requirements of good convergent validity.

Reliability evaluation can be done by looking at Cronbach's alpha and composite reliability values. In this study, Cronbach's alpha value greater than 0.70 states the research indicators' reliability and supports internal consistency. Composite reliability has value greater than 0.70, stating that each indicator is consistent in measuring its latent variable. It shows that latent variables have accurate, precise, and consistent reliability.

Then, discriminant validity can be evaluated by looking at the cross-loading value. The results of the cross-loading value illustrate that the latent construct is valid if the correlation value of a construct with its indicators is greater than the correlation value of other indicators within the construct. The cross-loading value in this study can be seen in Appendix 1.

# **Structural Model Evaluation Analysis (Inner Model)**

After testing the outer model to determine

the validity and reliability of a construct, the next step is to test the structural model (inner model) by looking at the R-square value and the T-statistic value on the estimated path coefficients obtained through the bootstrapping process.

According to Ghozali and Latan (2015), the R-square value is used to test the structural model. This measurement is used to see the predictive power of the structural model. The R-square value in this study is 0.913. So, it can be explained that 91.3 percent of digital talent is influenced by human resource management, digital literacy, human resource risk, digital leadership, and digital culture. While other variables outside this study explain the remaining 8.7 percent. Furthermore, the inner model evaluation is assessed by looking at the effect of exogenous latent variables on the endogenous latent variables through the path coefficient value and the significance level. The following bootstrapping analysis results can be seen in Figure 4.

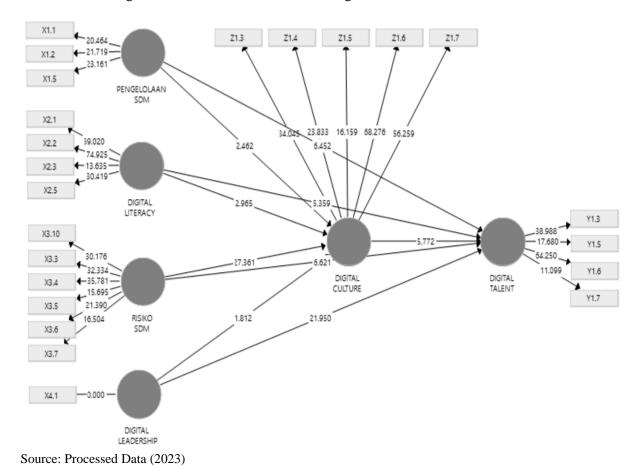


Figure 3. Bootstrapping Analysis Results

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Table 2. Bootstrapping Process Results with Significance Level 0.05

Hypothesis	Original Sample	T-Statistic	P Values	Results
Direct relationship				
People management -> Digital Talent	0,275	6,452	0,000	Accepted
Digital Literacy -> Digital Talent	-0,121	5,359	0,000	Accepted
HR risk -> Digital Talent	0,250	6,621	0,000	Accepted
Digital leadership -> Digital Talent	0,738	21,950	0,000	Accepted
Digital culture -> Digital Talent	-0,228	5,772	0,003	Accepted
Indirect relationship (mediation effect)				
People management * Digital culture -> Digital Talent	0,042	2,268	0,024	Accepted
Digital literacy * Digital culture -> Digital Talent	-0,033	2,489	0,013	Accepted
HR Risk * Digital culture -> Digital Talent	-0,181	5,660	0,000	Accepted
Digital leadership * Digital culture -> Digital Talent	-0,029	1,766	0,078	Rejected

Source: Processed Data (2023)

The inner model is measured by bootstrapping, which is done by assessing the significance of the t statistic to determine the effect between variables. Hypothesis testing is done by looking at the path coefficient and comparing the t value with the t table. The test criterion is the value of t-count >t-table (1.96). To see the nature of the relationship between latent variables (positive and negative) seen from original sample. The effect and significance level of exogenous latent variables on endogenous latent variables can be seen in Table 2.

#### **DISCUSSION**

#### HR management of digital talent

HR management has a positive and significant effect on digital talent. It indicates that the better the HR management carried out by the company, it will also increase digital talent in the company. Good HR management can result in digital talent carrying out their work optimally. It is also supported by Cadorin et al. (2021), who stated that human resource management significantly influences digital talent development. Cardenas-Navia and Fitzgerald (2019) explained that HR management has a role in increasing digital talent. It is in line with Shelton-Hunt (2014), which stated that proper and special HR management is needed for

employees with digital capabilities. Human resource management, especially for digital talent, has differences. The HR management of digital talent also requires compatibility with the times. Thus, the management system must also be up-to-date and in line with the personality of digital talent.

### Digital Literacy to digital talent

Digital literacy has a negative and significant effect on digital talent. It explains that better digital literacy cannot help increase digital talent in the company. It is because digital literacy is an ability that must already exist in the digital talent. Thus, increasing digital literacy has little effect on digital talent. That is in line with research which explains that digital literacy hurts the development of digital talent (Ahmad et al., 2016). Digital talent is an essential ability that must be possessed by digital talent (Belshaw, 2012). Digital literacy skills in digital talent must be improved. It is because an innovative mindset by digital talent can potentially increase the work productivity (Yuan et al., 2021). Therefore, even though digital literacy does not really affect digital talent, companies still need to improve their employees' digital literacy skills so that they can develop better and maximize their ability to carry out their work.

### HR risks to digital talent

HR risk has a positive and significant effect on digital talent. It indicates that the better the prevention of HR risks carried out by a company, it will help increase digital talent in the company. That is because the HR risks have the potential to harm the company. Therefore, companies need to properly manage HR risk prevention so that digital talent can survive in the company. It is supported by Kraev (2019), who explained that the HR risks positively affect talent development. According to McFarland and Jestaz (2016), the companies have risks for their human resources if they do not have digital talent employees. Due to the development of increasingly sophisticated times resulting in increased technology, companies must have the resources to run this technology.

Meanwhile, Huang et al. (2020) revealed that prevention of human resource risks is needed so that companies do not experience losses in their talents. Human resource risk has the potential to harm the company. That is because the human resources are the most important asset owned by the company. Thus, it is necessary to select digital talent qualifications following company needs. It is intended so that the company can optimize its resources in carrying out its work.

#### Digital leadership to digital talent

Digital leadership has a positive and significant effect on digital talent. It indicates that the better the digital leadership in a company, will increase digital talent in the company. It is because digital leadership helps the digital transformation process in the company. Thus, increasing digital leadership will be able to improve digital talent. It is supported by research by Schein (2010), which explained that digital leadership has a positive effect on talent development. It also aligns with Imran et al. (2020), which stated that applying digital leadership in running a company could create digital talent. In addition, Smet et al. (2018) also explained that an agile leader is needed to manage digital talent. Applying this digital leadership system can encourage the formation of a digital environment that can potentially develop digital capabilities in digital talent. Therefore, companies need to apply this leadership style so that their digital talents can better carry out their work.

### Digital Culture to digital talent

Digital culture has a significant negative effect on digital talent. So, it can be said that a better digital culture in the company does not necessarily increase its digital talent. Applying digital culture cannot develop talent but can increase work productivity. It is in accordance with Karaboğa et al. (2021), who stated that digital culture has a negative effect on talent development. Another study also explained that the organizational culture could improve performance (Cardenas-Navia and Fitzgerald, 2019).

Meanwhile, Beechler and Woodward (2009) also explained that digital culture could develop in companies but is not necessarily able to affect the sustainability of individuals in it. Applying digital culture in companies can help employees carry out their work effectively and efficiently. It is because companies that implement digital culture tend to carry out their work with adequate technology.

# HR management of digital talent through digital culture

Human resource management has a significant positive effect indirectly through digital culture on digital talent. It indicates that increasing human resource management through digital culture will increase digital talent. In managing human resources, the company's culture is one factor in increasing employee productivity. Therefore, proper management of human resources and culture is needed so that the employees can increase their work productivity. It aligns with Udin-Ganai's (2017 statement that human resource management and organizational culture positively affect work productivity. Ready and Peebles (2015) revealed that proper human resource management supported by the digital culture could increase digital talent. In addition, employees will also feel satisfaction due to the HR management system implemented. Dan et al. (2021) revealed that human resource management could develop digital talent owned by the company.

# Digital Literacy for digital talent through digital culture

Digital literacy has a significant negative effect indirectly through digital culture on digital talent. It indicates that increasing digital literacy

through digital culture cannot increase digital talent. It is because digital literacy is a fundamental ability possessed by digital talent. It is supported by research explaining that digital literacy and culture hurt talent development (Ahmad et al., 2016). Meanwhile, Shin et al. (2019) explained that digital talent owns digital literacy. This is because digital talent employees already have specific knowledge and qualifications, so these employees own digital literacy. Trost (2020) has a significant influence on digital culture or digital talent. Companies still need to improve their employees' digital literacy skills. This is done so that employees can still experience skill development. In addition, digital culture is considered capable of being an intermediary in the development of digital talent.

### HR risk to digital talent through digital culture

Human resource risk has a significant and indirect negative effect through digital culture on digital talent. So, it can be said that increasing human resource risk through digital culture cannot necessarily increase digital talent. It is because applying the digital culture does not help prevent HR risk in a company. This is supported by research that explains that HR risk and organizational culture have a negative effect on talent development (Becker and Smidt, 2016). According to Beechler and Woodward (2009), there is a negative relationship between digital talent on human resource risk and digital culture. One of the efforts that can be made is applying the correct selection method in the digital talent recruitment process (Eaves, 2016). However, human resource risk through digital culture cannot influence digital talent. Companies still need to take preventive action to avoid losses to their resources.

# Digital leadership to digital talent through digital culture

Digital leadership has a negative and insignificant effect indirectly through digital culture on digital talent. It explains that digital leadership through digital culture cannot affect digital talent because the application of digital culture in the implementation of digital leadership does not help improve the digital talent. It is supported by Karaboğa et al. (2021) digital leadership and organization negatively affect talent development. It is also in line with Garavan et al. (2012), who stated that

the leadership style through the culture applied by the company might not necessarily affect digital talent. Meanwhile, Karacay (2018) revealed that digital talent is not limited by the employee's leadership style and work environment. It is because digital leadership will automatically apply to digital culture. So, this is considered not too helpful for developing digital talent in a company.

#### **IMPLICATIONS**

The managerial implications of this research are focused on analyzing the dimensions that have the highest loading factor values on each variable, namely: (1) job satisfaction; (2) looking for information online; (3) selection process effectiveness; (4) communication usability; (5) flexible work; (6) work design. This aims to find alternative solutions that can be proposed in the managerial process of PT Telkom Indonesia Tbk. In this study, job satisfaction is one of the factors that most influence digital talent. So that companies need to increase job satisfaction so that employees can maximize themselves in doing their jobs. Then, looking for information online, it is necessary to improve the digital literacy skills of its employees. The effectiveness of the selection process is required to apply the right qualifications in the selection process to get digital talent that suits the needs. Furthermore, the usability of communication and the right digital leadership skills are needed in the communication process toward digital talent in the company. Then, flexible work, companies need to provide flexibility to the digital talent in carrying out work. Meanwhile, in work design, it is necessary to determine the tasks that digital talents will carry out by their abilities.

### RECOMMENDATIONS

This research is limited to the point of view of employees who are part of digital talent. It is hoped that further research can analyze the influence of the digital talent from the point of view of structural leaders to see differences in perceptions between the two. Thus, company can analyze the right strategy for increasing digital talent. The limitation of this research is focused on variable digital leadership on digital talent through digital culture has no significant effect. Meanwhile, several variables include HR management, HR risk, digital literacy, digital leadership, and digital culture.

#### **CONCLUSIONS**

HR management, HR risk, and digital leadership have a significant positive effect on digital talent. It is because increasing HR management, HR risk, and digital leadership can also increase digital talent. Then, HR management through digital culture has a positive and significant effect on digital talent. It is because in managing human resources, the company's culture is one factor in increasing employee productivity. Therefore, proper management of the human resources and culture is needed so that employees can still increase their work productivity.

Meanwhile, digital literacy and digital culture have a significant negative effect on digital talent. It is because digital literacy and culture are basic things digital talent already has. Furthermore, digital literacy and HR risk through digital culture have a negative and significant effect on digital talent. However, digital leadership has a negative and insignificant impact through digital culture on digital talent. It explains that digital leadership through digital culture is unable to have any influence on the digital talent. Therefore, it can be concluded that hypotheses 1-8 in this study are accepted, while hypothesis 9 is rejected.

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