Analysis of Factors Influencing Talent's Decision to Stay or Leave the Organization in the Talent War Situation: A Case Study of PT. Tambang Indonesia

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Abstract

In the era of the talent war in the coal mining industry that has occurred from 2022 to 2023, talent retention is one of the keys to success for companies in the industry, including mining contractor companies. This study aims to examine talent retention by exploring how several factors influence the talent's decision to stay or leave an organization in a talent war situation. This research was conducted using qualitative methods with a single case study on PT Tambang Indonesia. Data collection was carried out through in-depth interviews with 29 informants and document analysis which was analyzed using thematic analysis. The main findings of this research are four pull forces that influence talent's decision to stay and four push forces that influence talent's decisions to leave in a talent war situation. The supporting findings in this research are talent retention factors at three levels of organizational behavior analysis. The findings in this study deepen previous studies regarding factors in talent retention. Suggestions for further research are to make research that can measure each force, and then be tested in a wider and more diverse context. Further research can also be conducted with a focus on measuring the level of influence of factors at three levels of organizational behavior analysis, as well as comparing the effectiveness of these factors on talent retention.

Keywords: Talent War, Pull Forces, Push Forces, Talent Retention Factors, Coal Mining Contractor Company.

A. INTRODUCTION

The coal mining contracting industry is one of the most important industries in the world and Indonesia (Sianitawati & Prasetyo, 2022) (Rahmawati, 2020), but at the same time the most complex because it involves several dynamic aspects. If 2020 is a gloomy period for the mining contracting industry because HBA touches its lowest point, then mid-2022 to early 2023 is a golden period due to soaring HBA accompanied by soaring demand from domestic and foreign. This condition also brings momentum to increase business, one of which has an impact on the competitive situation to recruit and retain talent in the company, or the situation of talent wars (Koch et al., 2018) to meet the surge in increasing production targets. Especially with the fact that retaining talent is more profitable for the company than recruiting and preparing new talents until finally ready to take on their role in the company (Ott et al., 2018).

How mining contracting companies can retain their talent, one of which is determined by how the company implements talent management, especially effective talent retention strategies (Mey et al., 2021) (Sparrow, 2009). In doing so, companies
need to understand how several factors influence talent's decision to stay or leave the organization, especially in a talent war situation. Included in this is PT Tambang Indonesia which is one of the mining contractors in Indonesia. PT Tambang Indonesia is the largest mining contractor company in Indonesia, and in 2021 PT began to experience an increase in production target of 3.3% compared to 2020. This figure then increased further in 2022, namely by 15.6%, and again increased by 22.8% in 2023, when compared to the 2020 production target. In addition to being a year of increased production that requires more talent, 2022 and 2023 are delivered by PT Tambang Indonesia's management as competitive years in recruiting and retaining talent in the company. This is marked by an increase in the percentage of talent turnover from a maximum of 2% to more than 4%, with the largest portion being the voluntary resignation of talent. Before, there was a relatively even distribution in several causes, including health problems, death, retirement, mutation to subsidiaries, voluntary turnover, and in certain situations in the form of rationalization due to closed sites.

Furthermore, regarding the factors that influence talent's decision to stay or leave the organization, there have been several studies that examine this and provide useful results (Govaerts et al., 2011) (Govaerts et al., 2011); (Pandita & Ray, 2018); (Tlaiss et al., 2017); (Zainee & Puteh, 2020); (Zhang et al., 2015). However, from these studies, there are still several limitations that make the factors that influence talent to stay or even leave the organization are not fully understood. Also, from these studies, further research is recommended to be carried out to further increase understanding related to how companies can better retain their talent. Especially in this case in the context of coal mining contractor companies in a talent war situation.

Based on the above background, this study aims to explore how several factors influence talent's decision to stay or leave a mining contracting company in a talent war situation. Academically, this research is expected to contribute to the study of talent management, especially a deeper understanding of the factors that influence the decision of talents to stay or leave the company, especially in the context of talent war situations. In practical terms, the findings of this study are expected to contribute to PT Tambang Indonesia and other mining contractor companies experiencing similar contexts to retain talent in their respective places. Then broadly, this research is also expected to contribute to other companies in a wider spectrum of industries.

B. LITERATURE REVIEW

1. Talent Retention

Quoting from (Govaerts et al., 2011), talent retention is all activities and practices used by organizations to prevent the departure of talent. There are costs associated with talent loss, which include direct costs such as hiring and training, and indirect costs such as loss of specific skills, organizational knowledge, and employee networks while they are away. As a result, it is difficult for an organization to gain and maintain its competitive advantage without retaining talent in their respective places.
Furthermore, another reason that makes talent retention important for organizations is because of the two reasons presented by (Phillips & Gully, 2015) below. First, talent retention will encourage talents to stay in the company, so fewer new talents need to be recruited and prepared by the company. Second, good talent retention carried out by a company will be an attraction for talents outside the company to join the company.

To be able to retain talent in the company, some strategies can be applied in the company. Among them are ten strategies outlined by (Phillips & Gully, 2015), which consist of strategies to clarify promotion paths, provide challenges, develop better employers, provide work flexibility, choose good placement locations, provide competitive salaries and benefits, form responsible managers, provide support, create mobility barriers, and create a strong corporate culture.

Although some strategies can be implemented by companies, the fact is that talent retention is still something that is not optimally done by several companies. This is in line with the findings of research conducted by (Tlaiss et al., 2017) which found that the talent retention approach taken by companies tends to be arbitrary and ad hoc. Talent retention practices are largely motivated by the direct costs associated with failing to retain talent, and the focus of talent retention is largely on normative forces through workplace culture and organizational norms.

2. Research on Factors Behind Talent Retention

In the context of talent specifically, there have been several studies aimed at finding out the reasons behind talent retention, research related to talent retention includes research related to factors that encourage talents to leave the company, and also factors that attract talents to stay in the company.

One of the research related to factors that encourage talents to leave is research conducted by (Abedin et al., 2020). The research was conducted on talents in the Information and Communication Technology (ICT) industry in Iran who have left the company using grounded theory methodology. The research then produced a conceptual model of the main factors influencing talent in Iran to leave the organization. The main factors described in the model consist of causal factors (such as economic recession), organizational context factors (such as organizational features), factors of change in work (such as dissatisfaction), and factors of individual characteristics (such as personality).

Furthermore, other studies also examine the reasons why talents leave the company. The study was conducted by (Maertz Jr et al., 2022) on high-performing and low-performing employees at a retail bank in the United States. In the group of high-performing employees, or can be categorized as talent, it was found that the main reason they left the company was because they wanted better advancement or development opportunities. Then in the group of low-performing employees, the main reasons were found in the form of desire for different job tasks, job insecurity, work stress, problems with co-workers, and general problems related to management.
In addition to the two studies above, there are also studies conducted by (Mutanga et al., 2021). This research was conducted on talents who fall into the white-collar group in Namibia. Research with exploratory qualitative methods found that there are push factors for talents to leave the organization and pull factors for talents to remain in the organization. Related to push factors, there are five main push factors found in this study, which encourage talent to leave the company. The five push factors consist of low pay; lack of recognition; lack of growth opportunities; a toxic environment; and an inappropriate management style. Then related to pull factors, it was found that seven factors can attract talents to stay in the company. The seven factors consist of a better salary; job security; prospects for growth and advancement of talents; conducive working environment; flexibility of work; employment allowance; and mentally challenging work.

Finally, there is a study conducted by (Bubshait, 2022) regarding the factors that influence talents to stay in the company. The talents studied in the study are specifically for talents in the Generation Y or Gen-Y group in mining companies in Saudi Arabia. The research then found that there are five factors at the individual level and seven factors at the organizational level that influence talent’s intention to stay in the company. The five main factors at the individual level include engagement, feedback, communication, work-life balance, and personal values and perceptions. Findings related to these individual factors suggest that positive personal experiences contribute to talent’s intention to stay in the company. Then, negative and disappointing experiences negatively affect the talent’s intention to stay in the company. Furthermore, the seven organizational factors found in this study, which influence talents’ intention to stay consist of; professional development and career advancement; recruitment and orientation; leadership and supervision, work environment, benefits and compensation, corporate image (branding), and performance management.

3. Talent retention factors based on three levels of organizational behavior analysis

In Organizational Behavior (OB) there are three basic levels of analysis. The three levels of analysis consist of analysis at the individual level, group level, and organizational level (Luthans, 2015) (Nahavandi et al., 2013). Analysis at the individual level is the analysis that is at the smallest level in the organization. Analysis at this level covers topics such as individual differences, perception, motivation, and learning (Nahavandi et al., 2013). Analysis at the group level is an analysis in the context of groups with several people consisting of two people to groups with a much larger number of people. Group and team studies in OB include issues of group size and composition, cohesion, trust, team building, and decision-making (Nahavandi et al., 2013). Analysis at the organizational level is analysis related to larger groups such as departments, and organizational processes. The analysis also includes issues such as organizational design and structure, organizational culture, power, and politics, as well as changes in organizations (Nahavandi et al., 2013).
4. Talent Wars in the Mining Industry

The war of talents is nothing new. Talent wars are a concept first unveiled in a McKinsey & Company report in 1998 that states that talent is something that companies are worth fighting for. Related to the mining industry, in an article in the Canadian Mining Journal in 2006, it was reported that there was a talent shortage situation due to a surge in business which then had an impact on the talent war situation.

The situation of talent war that occurred in 2006 is similar to the situation that occurred in the coal mining industry from 2022 to early 2023. Based on a survey conducted by McKinsey in 2022 of senior leaders and executives in the mining industry, the talent shortage situation in 2022-2023 is even at a significant point to be called the talent squeeze situation (Abenov et al., 2023).

Senior leaders and executives surveyed by McKinsey in 2022 also stated that they expect the trend of talent shortages to continue in the coming years. Furthermore, the occurrence of this talent shortage is caused by the meeting of three cross-industry trends which then trigger major changes in the mining labor aspect (Abenov et al., 2023). The first is the evolving nature of the work itself, with an increased focus on automation, algorithms, and a growing need for digital understanding. Second, the shift in workers' preferences, especially after the COVID-19 pandemic, one of which has an impact on changing workers' life priorities. The third trend is the development of ways of working that are now applied by many companies.

C. METHODS

The method used in this research is qualitative in the form of a single case study of PT Tambang Indonesia. In qualitative research methods, researchers focus on individual subjective experiences and contextual situations. (Blumberg, Cooper, & Schindler, 2014). The single case study was chosen because researchers wanted to gain a deeper understanding of the forces behind the factors that influence talent's decision to stay or leave the organization, in the context of a coal mining contracting company in a talent war situation. This is in line with the basic use of case studies described in (Baxter & Jack, 2008), that case study design is appropriate to use when; 1) the focus of research is to answer the question "how" and or "why"; 2) researchers cannot manipulate the people involved in the research; 3) researchers aim to discuss contextual conditions, because it is believed that these conditions are relevant to the phenomenon under study; or (4) that is, when there is no clear boundary between context and phenomenon.

Data collection in this study was conducted through an in-depth one-on-one interview process for about 80 minutes using semi-structured interview guides to primary and supporting sources. The main resource persons consisted of 14 talents who are still at PT Tambang Indonesia, and 14 talents who have left PT Tambang Indonesia from 2022 to 2023. The 28 main speakers are talents with backgrounds varying from gender, length of service, educational background, work division, position position, and work location. The supporting resource persons in this study
are representatives of PT Tambang Indonesia's management, which in this case becomes a triangulation tool for the main interview data. In addition, research data is also equipped with data sourced from documents related to talents at PT Tambang Indonesia.

In analyzing the data, thematic analysis was used by (Braun & Clarke, 2006). Thematic analysis is an appropriate analytical technique used in research aimed at understanding the experiences, perceptions, and subjective views of individuals or groups (Patton, 2014). The thematic analysis also has the advantage of providing the flexibility that has the potential to provide rich and detailed data reports but at the same time complex (Braun & Clarke, 2006).

D. RESULTS AND DISCUSSIONS

1. Pull Forces

In this study, findings were obtained in the form of four pull forces that influence the decision of talents to stay in the company in a talent war situation. The four forces are financial well-being which then has an impact on psychological well-being, security guarantees for future uncertainty, support for self-growth, and facilitation of personal preferences.

In the first force, research shows that financial well-being that leads to psychological well-being is evident in the large number of surviving talents at PT Tambang Indonesia. Quoting from (Brüggen et al., 2017) what is meant by financial well-being is the perception of the ability to maintain the current and anticipated desired standard of living and financial freedom. This financial well-being is subjective because it is based on how the individual perceives it rather than how it is symbolized objectively. Furthermore, the financial well-being found in this study is formed from competitive salary factors, which motivate talents to stay in the company. With this salary, several talents who are the backbone of the family can fulfill their responsibilities, which then brings psychological well-being to talents. In addition to salary, the first pulling force that influences a talent's decision to stay is also shaped by competitive incentive factors and is given fairly based on talent performance. The provision of these incentives makes talents feel valued and appreciated by the company. This is in line with research conducted by (Mngomezulu et al., 2015) which found that recognition in the form of monetary rewards such as salaries and incentives occupies the most critical position in retaining talent.
The second pull force for talent to stay in the company is a guarantee of future uncertainty. The first guarantee of uncertainty is the guarantee of full health protection for talents and their immediate families. This is recognized by all talents, even talents who eventually left PT Tambang Indonesia, as a very strong attraction to continue working at PT Tambang Indonesia. The health protection provided by the company is in line with the advice given from the results of research conducted by (Kumar, 2016), namely that companies need to provide health care and health insurance that can be a tool to motivate talent. Furthermore, the second guarantee of uncertainty is the guarantee of the sustainability of the company. This is crucial because business uncertainty can have an impact on changing the livelihoods and lives of talents in the future. The security of the company’s sustainability by talents is said to come from the company’s ability to prepare backup plans, the large and long-lived group figure behind PT Tambang Indonesia, and evidence of PT Tambang Indonesia’s ability to remain a defensive player even in times of crisis in the industry in recent years.

The third force that attracts talent to stay in the company is support for talent self-growth. Both from a professional and personal side. When talents feel supported, this raises a positive perception of talents towards the company, a sense of care, a sense of being part of their environment, and strengthens confidence to be a better...
person in the future. The findings in this study corroborate the findings in research conducted by (Mutanga et al., 2021) which shows the prospect of talent growth and advancement is one of the pull factors for talent to survive in the company.

Finally, the fourth force that attracts talents to stay is the facilitation of personal preferences that are considered crucial for talents. In this study, it was found that self-preference consists of preferences related to work and career, as well as self-preferences related to work locations that can be close to family.

2. Push Forces

The study found four driving forces influencing talent’s decision to leave an organization. The four driving forces are "Recurrent Distress Cycles", "Loss of Respect & Trust in Management", "Lack of Growth Support", and "Unfacilitated Self-Preference".

The first driving force influencing talent’s decision to leave a company is the repeated cycle of distress. What is meant by the driving force of repeated distress cycles is the force of heavy work pressure which occurs continuously, making talents feel overwhelmed. This was also found to have negative impacts on talent. Both the impact on physical and psychological conditions. This is in line with what is described in (Kundargi & Kadakol, 2015) that this situation enters into a situation of distress, or negative stress that adversely affects those who experience it. One of the triggers of distress is excessive pressure at work which makes an employee feel overwhelmed. This repeated cycle of distress was found to be a major force that ultimately drove talent out of the company. Furthermore, this strength is formed from three factors consisting of excessive workload, long rosters, and ineffective and rigid work systems.
In the second driving force, research findings show that some talents cite this strength as a loss of respect and trust in management. What is meant by management in this case consists of direct superiors and indirect superiors, as well as superiors who are on site and management who are at the head office. For some talents, this does not appear as a driving force, while for others it creates a large driving force that greatly influences their decision to leave the company. This loss of respect and trust is formed from two factors, namely leadership factors and management factors shown by management. This is one of the strong driving forces because leaders who can give and get respect from their subordinates are important in the context of talent retention (Mey et al., 2021).

The third driving force influencing talent’s decision to leave the company in a talent war situation is the lack of support for talent growth. Both professional and personal growth. The driving force of this lack of growth support is formed from three factors consisting of; factors of lack of feedback and lack of opportunities for talents to attend training; unfavorable environmental factors; as well as promotional factors that are considered unfair. This condition is in line with research conducted by (Maertz Jr et al., 2022) which found that the main reason talents leave companies is because they want better advancement or development opportunities.
Finally, the driving force influencing talent to leave a company is when what is a self-preference, especially a preference that is crucial for them is not facilitated. Just as the findings related to self-preference in the pulling force can provide great power for some talents, this finding of self-preference also provides great power for some talents to eventually leave the company. The driving force for this lack of facilitation of personal preference is formed from work or career factors that are stuck, and work location factors that are far from family.

3. Analysis of Talent Retention Factors Based on Three Levels of Organizational Behavior Analysis

In addition to answering two research questions by analyzing how several factors influence talent’s decision to stay or leave the company, researchers also analyzed the factors that emerged in the research findings using three levels of analysis in organizational behavior. From the findings in the form of factors in this study, researchers identified several talent retention factors that fall into three levels of organizational behavior analysis in the context of talent wars.

![Figure 3. Conceptual Model of Three Levels of Talent Retention Factors](image)

Source: Processed by the Author (2023)

First, researchers identified two factors at the individual level that influence talent retention at the individual level in the context of talent wars. These factors consist of work-life balance; and job and career suitability. The findings in these factors conclude that talents need to be facilitated related to the things that are their preferences. Especially when the preference is related to his responsibilities and priorities. Especially with the fact that for those who fall into the talent category, they are people who feel more confident in their ability to find work elsewhere, because of the skills and skill values they have (Ott et al., 2018). At the same time, talent today has far greater exposure and access to external opportunities than was the case in the past, and they tend to be more open to those opportunities even when they are not actively seeking them (Ott et al., 2018).

Second, researchers identified one factor that influences talent retention at the group level in the context of talent wars. This factor is in the form of the environment
in the work unit. The findings in these factors conclude that differences in environmental factors between work units indicate the importance of the work unit environment in retaining talent. This difference can also be information that each work unit has its conditions that periodically need to be checked and efforts are made based on the findings of each unit.

Third, researchers identified six factors at the organizational level that influence talent retention in the context of talent wars. The six factors consist of facilities, especially fully protected health facilities; A strong and resilient corporate image: financial rewards; workload and organization of work; leadership of superiors and leaders; and talent development and promotion. The large number of findings related to organizational factors can be interpreted as many opportunities for companies to increase talent retention from several strategy options, as well as gaps that risk-reducing talent retention when these options are not managed effectively to retain talent in a talent war situation.

E. CONCLUSIONS

Talent retention is an important key in the company, especially when facing rapid business growth and fierce competition in the labor market, as experienced by coal mining companies such as PT Tambang Indonesia. This research explores the factors that influence talent’s decision to stay or leave a company in a situation of fierce competition. The results identified four pull forces, such as financial security, future certainty, growth support, and personal preference, that drive talent to stay. On the other hand, four driving forces, including repeated cycles of distress, loss of respect for management, lack of growth support, and mismatch of personal preferences, can drive talent to leave the organization. In addition, the study also identified retention factors at three levels of organizational behavior analysis: individual, group, and organizational.

The managerial implications of this study underscore the importance of companies like PT Tambang Indonesia to maintain the pulling force that attracts top talent. This involves aspects such as health protection guarantees and corporate sustainability. In addition, competitive compensation, performance-based incentives, and communication that strengthens appreciation for talent achievements are also very important. In addition, companies should conduct periodic evaluations and improvements to conflicting factors, which might influence talent’s decision to stay or leave. Distress cycles, work environment support, leadership, promotion implementation, and development opportunities need special attention. Finally, companies must remain open to learning from other companies and evaluate talent management practices that have been implemented.

While the study provides valuable insights, there are limitations in data collection, especially as the COVID-19 pandemic limits physical interaction. Future research may focus more on variations in different industries and companies to identify differences in retention factors. Also, the development of measuring
instruments for each factor and further research on the degree of influence of each factor can be the next steps.

REFERENCES