THE EFFECT OF KNOWLEDGE MANAGEMENT AND TALENT MANAGEMENT ON EMPLOYEE PERFORMANCE AND THE IMPACT ON COMPETITIVE ADVANTAGE (SURVEY PRIVATE COLLEGES IN KULONPROGO DISTRICT, SPECIAL REGION OF YOGYAKARTA)

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ABSTRACT

This study aims to examine the effect of talent management and knowledge management on employee performance and the impact on the performance of Private Colleges Employees in Kulonprogo, Yogyakarta, either partially or simultaneously. The research method used involved a survey with a questionnaire measured by a Likert Scale. The population is 104 Lecturers and Education Personnel at three active Private Colleges in Kulonprogo District. The data were analyzed using Lirsel 8.80 software. This study produced seven findings. First, Knowledge Management (X1) significantly affects Employee Performance. Second, Talent Management (X2) significantly affects Employee Performance (Y). Third, Knowledge Management (X1) and Talent Management (X2) simultaneously have a significant effect on Employee Performance (Y1). Fourth, Knowledge Management (X1) insignificantly affects Competitive Advantage (Y2). Fifth, Talent Management (X2) insignificantly affects Competitive Advantage (Y2). Sixth, Knowledge Management (X1) and Talent Management (X2) simultaneously have a positive and significant effect on Competitive Advantage (Y2). Seventh, Employee Performance (Y1) significantly affects Competitive Advantage (Y2);

Keywords: Knowledge Management, Talent Management; Employee Performance, Competitive Advantage

INTRODUCTION

Law No. 12 of 2012 explained that higher education as part of the national education system has a strategic role to educate the nation's life and advancing science and technology by paying attention to apply the values of humanity and civilization and empowering the sustainability of Indonesian nation. In the context of development of Private Colleges, especially related to human resource management, the importance of knowledge management concept (Octa, 2011; Andreas, 2013; Khoe, 2011) and talent management concept are new formulas to improve employee performance (Yusran, 2011). These long-term goals affect on competitive advantage (Anshori, 2004). Armstrong (2009) said that knowledge management is every process or practice in creating, acquiring, capturing, sharing, and using knowledge to improve learning and
performance in organizations. Knowledge management is concerned with storage and flow of knowledge with knowledge database ".

Talent management essentially is a human management process related to companies in dealing with human resources (Latif, 2011; Michael, 2014) and human resource management departments (Achirina, 2011, Josef, 2011), including at colleges. Private colleges at Kulonprogo district are still not optimal. It could be that the placement of individuals is still not consistent with their talents.

Performance is the result of work and is very important to achieve organizational goals (Salam, 2007; Simanjuntak, 2005). Mathis and Jackson (2002) defined that performance basically is what employees do and do not do. Kotler (2003) said that competitive advantage is the superiority to competitors by delivering greater customer value, through cheaper prices or by providing more benefits in accordance with higher pricing. Excellence is obtained through a set of accumulated abilities and experiences so that tertiary institution has the best performance for stakeholders.

The Governor of Special Region of Yogyakarta said that when the ASEAN Economic Community (MEA) was integrated in December 2015, it certainly affect on Private Colleges. The presence of educational institutions and foreign workers will change the competition map. It gives challenge to improve the quality of their education. Kulonprogo District at also tried to invite 10 State Colleges and Private Colleges to work together to build Kulonprogo district. Given that potential in Kulonprogo to give higher role of education institution as a superior HR research institute, they should act quickly to get superior local human resources to meet the demand for development in Kuloprogo District in general and specifically the mega project in Kulonprogo District. The Private Colleges in Kulonprogo District are shown in table 1.

Table 1. Private Colleges in Kulonprogo District

<table>
<thead>
<tr>
<th>No</th>
<th>Private Colleges</th>
<th>Address</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Lecturers</td>
</tr>
<tr>
<td>1</td>
<td>Universitas Janabdar</td>
<td>Jl Khudori</td>
<td>25</td>
</tr>
<tr>
<td>2</td>
<td>IKIP PGRI</td>
<td>Jl KRT Kertodiningrat</td>
<td>26</td>
</tr>
<tr>
<td>3</td>
<td>UAD</td>
<td>Jl Wates purworejo</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td></td>
<td>76</td>
</tr>
</tbody>
</table>

Responding to statement of Yogyakarta Governor and invitation of Kulonprogo District and also the results of pre-survey by authors at Private Colleges in Kulonprogo, it shows that until today Private Colleges development in Kulonprogo are still low, always defeated by State Colleges / Private Colleges in Yogyakarta City to take the opportunity of development cooperation in Kulonprogo District. Based on this phenomenon, this study aim is to examine the effect of talent management and knowledge management on employee performance and the impact on the performance of Private College employees in Kulonprogo, Yogyakarta, either partially or simultaneously.

LITERATURE REVIEW

The Effect of Knowledge Management on Employee Performance
Knowledge management can be described as the identification, optimization, and activeness of management towards intellectual assets, both in the form of written explicit knowledge and tacit knowledge held by individuals or communities. Octa (2011) defines knowledge management as the implementation of creation, capture, transfer, and access to appropriate knowledge and information when needed to make better decisions, act appropriately and provide results in order to support business strategies. The results of Hendri Rudiyanto's research show that knowledge sharing behavior has a significant effect on employee performance.

Andry (2011) also found that knowledge management significantly and positively affects performance. Adversely, Kosasih and Budiani (2007) found that personal knowledge, job procedures and technology did not significantly affect on employee performance. Above studies, results show that understanding and implementation of knowledge management will improve employee performance.

The Effect of Talent Management on Employee Performance

Technological advances, rapid changes, shortening of product and service cycles, and obsolescence of product and innovation have made executives aware of other factors that guarantee their ability to survive, lead the market, and building a competitive organization in long run. Executives realize that human resources are a major factor to win the competition in long run hard to imitate and able to help organizational excellence in the long run. The process to review human resource management places management talent in a series of integrated organizational HR processes designed to develop, motivate, and maintain productively to get the employees involvement. The aim of talent management is to create high-performance, sustainable organizations to fulfill their strategic and operational goals and objectives. Yusran (2011) showed a significant effect both partially and simultaneously of talent management and organizational commitment on employee performance. Benny (2013) shows that talent management and leadership development simultaneously have a significant effect on employee performance. The results of several studies above showed that talent management has a significant effect on employee performance.

The Effect of Knowledge Management and Talent Management on Employee Performance

After the recruitment process, each individual occupies each job according to the job specification and basic knowledge. The work continues to be added while being developed. It is harmonized with talent that is possessed. It is expected that every individual could optimize his knowledge and talents and perform well. Yusron (2011) showed that knowledge management and talent management can improve employee performance. This result is consistent with Anshori (2004) that good knowledge management can improve employee performance.

The Effect of Knowledge Management on Competitive Advantages

The good knowledge management will facilitate employees to develop themselves, both those that are individual and in company management. It should create high productivity and companies can optimize their resources to build competitive advantage. Indiyanti (2014) showed that partially organizational culture affects on competitive advantage, while knowledge management does not have an effect. Sari et al. (2014) also concluded that knowledge management and market orientation had a positive and significant
The Effect of Knowledge Management and Talent Management...  

effect on company performance. Furthermore, knowledge management also had a positive and significant effect on competitive advantage. Then Kusuma (2013) showed that knowledge management has a significant effect on competitive advantage and company performance.

The Effect of Talent Management on Competitive advantage  
The good knowledge management will facilitate employees to develop themselves, both those that are individual and in company management. It should create high productivity and companies can optimize their resources to build competitive advantage. Indiyanti (2014) showed that partially organizational culture effects on competitive advantage, while knowledge management does not have an effect. Sari et al. (2014) also concluded that knowledge management and market orientation had a positive and significant effect on company performance. Furthermore, knowledge management also had a positive and significant effect on competitive advantage. Then Kusuma (2013) showed that knowledge management has a significant effect on competitive advantage and company performance.

The Effect of Knowledge Management and Talent Management on Competitive Advantages  

HR excellence is a competitive advantage for every business that cannot be replicated. Therefore, developing the quality of human resources requires a new way through developing the knowledge and talents possessed by each employee to increase the productivity and company image. Sugito and Kamaludin (2015) found that knowledge management, talent development and social capital have a significant effect on innovation and competitive advantage”  

The Effect of Employee Performance on Competitive Advantages Private Colleges  
Performance is all activities related to elements involved in the process to produce an output. The development process and performance improvement carried out cannot be separated from several elements. First, the task or work responsibility should clear. Second, the expected results are completed on time. The system continues to be improved in order to improve performance according to new demands and ultimately will have an impact on competitive advantage strategy. Sulistyawati et. al. (2012) found that performance has the greatest direct effect on competitive advantage. Abadiyah (2013) added that performance measured from efficiency will affect the competitive advantage of bag products at Tanggulangin. Bob Foster (2011) found that there was a significant effect of retail sales mixes performance and customer relations on formation of brand equity and its impact on competitive advantage and customer loyalty in department stores.

The Effect of Knowledge Management, Talent Management on Employee Performance and the Impact on Competitive Advantages  

Competitiveness no longer depends only on the wealth of natural resources and cheap labor but begins to shift knowledge of a country. Mastery of knowledge can become a driving force or even a facility to process natural resources before being marketed to the global world. Higher education plays an important role in giving birth to superior human resources. Very rapid progress in terms of quantity was not balanced with quality, so the
condition of Private Colleges became unhealthy. This is one causes of the lower image of universities, especially private universities. Therefore, HR recruitment, HR placement, work processes, and job evaluation need to be based on knowledge management which is also based on unique talents possessed by employees. This process will further make the Private Colleges image increase and ultimately will boost competitiveness. Priansa (2011) found that Knowledge Management and Talent Management had a Positive & Significant Effect on Private Colleges Image in Bandung City, Both Partially and Simultaneously.

**RESEARCH MODEL AND HYPOTHESIS**

The research variables are divided into two parts. The first part is the independent variables, including knowledge management ($X_1$) and talent management ($X_2$). The second part is the dependent variables, including employee performance ($Y_1$) competitive advantage variable ($Y_2$). The research model and studies that support it are presented in Figure 1.

**Figure 1. Research Framework**

Based on research model, the research hypothesis can be presented below.

H1a: Knowledge Management ($X_1$) significantly affects on Employee Performance

H1b: Talent Management ($X_2$) significantly affects on Employee Performance ($Y_1$).

H2: Knowledge Management ($X_1$) and Talent Management ($X_2$) simultaneously have a significant effect on Employee Performance ($Y_1$).

H3a: Knowledge Management ($X_1$) significantly affect on Competitive Advantage ($Y_2$)

H3b: Talent Management ($X_2$) significantly effect on Competitive Advantage ($Y_2$).

H4: Knowledge Management ($X_1$) and Talent Management ($X_2$) simultaneously have a positive and significant effect on Competitive Advantage.

H5: Employee Performance ($Y_1$) significantly effect on Competitive Advantage ($Y_2$).

**RESEARCH METHODS**

Object of research
The Effect of Knowledge Management and Talent Management...

The research object generally includes analysis based on independent / independent variables which include talent management, knowledge management. The dependent variables in these studies are employee performance and competitive advantage. The research subjects were Private Colleges employees, both as administrator and as lecturers and locations in this study were private campuses active in Kulonprogo District area, namely: Janabadra Wates Campus, IKIP PGRI Wates Campus, and UAD Wates campus.

Data source

Hermawan (2006) stated that primary data is data collected directly by researchers to answer problems for purpose of research conducted in exploratory, descriptive, or causal research using data collection methods in the form of surveys or observations. The primary data source of this study uses questionnaires in the form of multiple choice questions and closed questions. Secondary data is collected from various library materials in form of books, magazines, journals and other relevant documents with research study material. The secondary data source of this study was obtained by using documentation and literature.

Population and Sampling

Sugiyono (2010) stated that population is a generalization objects / subjects with certain qualities and characteristics determined by researchers to be studied and to make conclusions. This study population is Private Colleges staff and lecturers in Kulonprogo District who held Diploma and Strata 1 (S1) programs, as shown in table 2.

Table 2. Research population

<table>
<thead>
<tr>
<th>No</th>
<th>Private Colleges</th>
<th>Accreditation</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Non Lecturers</td>
</tr>
<tr>
<td>1</td>
<td>Universitas Janabadra</td>
<td>B</td>
<td>4</td>
</tr>
<tr>
<td>2</td>
<td>UAD</td>
<td>B</td>
<td>10</td>
</tr>
<tr>
<td>3</td>
<td>IKIP PGRI</td>
<td>B</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td>28</td>
</tr>
</tbody>
</table>

Table 2 shows the employees are 104 employees from 3 active Private Colleges in Kulonprogo District. All 104 populations were chosen as research samples, called saturated sampling or census. Sugiyono (2008: 122) stated: "Saturated sampling or census is a sampling technique if all members of the population are used as samples." It can be seen that saturated sampling or census sampling technique uses all members of the population.

Data Collection Method

Data is collected directly by a questionnaire distributed to respondents. The questionnaire was measured using a five-point Likert scale, starting from 1 = strongly disagree to 5 = strongly agree. The interview method and secondary data collection method are also used to complete the questionnaire.
RESEARCH RESULT

The results of data analysis with Structural Equation Model method are shown in Figure 1. Analysis the effects between variables are shown in table 3.

![Figure 1. Complete Standardized Solution Path Diagram](image)

Source: processed from questionnaire (n = 104) with Lisrel 8.80 software.

<table>
<thead>
<tr>
<th>Measurement Model</th>
<th>Coefficients</th>
<th>Standard Error (SE)</th>
<th>t-count</th>
<th>Test result (t_{0.05}=1.69)</th>
<th>Construct Reliability (R²)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Latent Variables</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Knowledge Management (X₁)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human Aspect (X₁.1)</td>
<td>1.42</td>
<td>0.84</td>
<td>10.45</td>
<td>Significant</td>
<td>0.70</td>
</tr>
<tr>
<td>Content (X₁.2)</td>
<td>0.75</td>
<td>0.26</td>
<td>10.24</td>
<td>Significant</td>
<td>0.69</td>
</tr>
<tr>
<td>Technology (X₁.3)</td>
<td>1.13</td>
<td>0.52</td>
<td>10.49</td>
<td>Significant</td>
<td>0.71</td>
</tr>
<tr>
<td>Process (X₁.4)</td>
<td>1.62</td>
<td>0.26</td>
<td>12.97</td>
<td>Significant</td>
<td>0.91</td>
</tr>
<tr>
<td><strong>Manajemen Bakat (X₂)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development (X₂.1)</td>
<td>0.81</td>
<td>0.24</td>
<td>10.80</td>
<td>Significant</td>
<td>0.73</td>
</tr>
<tr>
<td>Talent gaps identification (X₂.2)</td>
<td>0.84</td>
<td>0.41</td>
<td>9.60</td>
<td>Insignificant</td>
<td>0.63</td>
</tr>
<tr>
<td>Planning (X₂.3)</td>
<td>1.80</td>
<td>0.60</td>
<td>12.15</td>
<td>Significant</td>
<td>0.84</td>
</tr>
<tr>
<td>Selection and Recruitment (X₂.4)</td>
<td>0.96</td>
<td>1.09</td>
<td>7.72</td>
<td>Significant</td>
<td>0.46</td>
</tr>
<tr>
<td>Education and Training (X₂.5)</td>
<td>1.07</td>
<td>0.35</td>
<td>11.19</td>
<td>Significant</td>
<td>0.77</td>
</tr>
<tr>
<td>Maintenance (X₂.6)</td>
<td>1.06</td>
<td>0.62</td>
<td>9.77</td>
<td>Significant</td>
<td>0.64</td>
</tr>
<tr>
<td>Initiative (X₂.7)</td>
<td>1.32</td>
<td>1.35</td>
<td>9.89</td>
<td>Significant</td>
<td>0.57</td>
</tr>
<tr>
<td><strong>Kinerja</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work quality (Y₁.1)</td>
<td>0.99</td>
<td>0.71</td>
<td></td>
<td>Significant</td>
<td>0.58</td>
</tr>
</tbody>
</table>
Table 3 shows the weighting of the coefficient factor of measurement model in this study has a significant effect. It means most indicators can explain each variable. There is one item (indicator in talent management) is invalid (i.e. item question X2.2), it has a correlation less than 0.195 (r table) and Competitive Advantage variable has 1 item invalid (i.e. item Y2 .9), it has a correlation of less than 0.195 (r table). The descriptions for each variable are below.

- Independent Variables of Knowledge Management is measured by the following indicators: Human Aspects, Content, Technology, and Processes, all are adopted from Ismail Nawawi’s theory and some previous studies are RIGHT, this is evidenced by test results received.

- Independent Variable of Talent Management measured through indicators: Development, Identification of Talent Gaps, Planning, Recruitment and selection, Educating and training, Maintaining and Initiative adopted from Handoko theory and some previous studies are RIGHT, this is evidenced by test results received.

- The dependent variable of Employee Performance is measured by indicators: Quality of work, effective and efficient, timeliness, Productive and safety: adopted
from the theory of Ma’aruf Abdullah and some previous studies are right, this is evidenced by test results received

- The dependent variable of Competitive Advantages are measured by indicators: workplace safety, loyalty in recruitment, high wage rates, Incentives, ownership rights, Information sharing, participation, and empowerment, independent team management, training and development of Cross skills; adopted from Pfeffer's theory and several previous studies are RIGHT, this indicates the test results received.

The structural model the test is carried out based on the output of Lisrel 8.80 both in the form of a complete path diagram (standard solution/figure 1.) and output whose results are summarized in Table 4 as follows.

**Table 4. Summary of Structural Model tests**

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>T-Statistic</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1a</td>
<td>X1 → Y1</td>
<td>-2.040</td>
</tr>
<tr>
<td>H1b</td>
<td>X2 → Y1</td>
<td>3.960</td>
</tr>
<tr>
<td>H2</td>
<td>X1 and X2 → Y1</td>
<td>3.590</td>
</tr>
<tr>
<td>H3a</td>
<td>X1 → Y2</td>
<td>0.510</td>
</tr>
<tr>
<td>H3b</td>
<td>X2 → Y2</td>
<td>0.350</td>
</tr>
<tr>
<td>H4</td>
<td>X1 and X2 → Y2</td>
<td>3.360</td>
</tr>
<tr>
<td>H5</td>
<td>Y1 → Y2</td>
<td>4.750</td>
</tr>
</tbody>
</table>

Source: processed from questionnaire (n = 104) with software Lisrel 8.80

Table 4 shows this structural model has a various effect. Partial testing shows knowledge management (H1a) and talent management (H1b) have a significant effect on employee performance, although knowledge management has a negative effect. The test results show that H1a and H1b are accepted. Testing the simultaneous effect together shows that both knowledge management and talent management simultaneously have a significant effect on performance. This indicates H2 is accepted. Furthermore, partial testing shows that knowledge management (H3a) and talent management (H3b) have no significant effect on competitive advantage. The test results show that hypotheses 3a and 3b are rejected. Testing the simultaneous effect shows that both knowledge management and talent management simultaneously have a significant effect on competitive advantage. This indicates H4 is accepted. Finally, partial testing shows that employee performance partially has a significant effect on competitive advantage. This shows that H5 is accepted.

**DISCUSSION**

**The Effect of Knowledge Management (Xi) on Employee Performance (Yi) (H1a)**
The Effect of Knowledge Management and Talent Management...

Study results in the effect of Knowledge Management (X1) on Employee Performance (Y1) indicate that some employees are still not optimal regarding control documents, lack of understanding of key jobs, more work on additional jobs, unsystematic sharing/distribution of knowledge, absence of intranet network connections in the process of work or learning, there is no document control SOP & weak up-date information process. But the facts also prove that operational performance can still run well, the absence of HR/SOP/technology (intranet) does not prevent individuals from performing well. Why did that happen? Because there are still around 42% of other variable factors that are not measured in this study which are likely to be a driving factor for HR to perform well, these factors include (in writer’s opinion): Leadership, motivation, tenure, loyalty, organization, team building and technology. Ismail Nawawi (2012) showed that knowledge management effects on employee performance. This is also in line with research of Sari et al. (2014) and Kusuma (2013) that knowledge management has a positive effect on employee performance.

The Effect of Talent Management (X2) on Employee Performance (Y1) (H1b)

Study results in the effect of Talent Management (X2) on Employee Performance (Y1) showed. This due to fact that in the field some things were found: the absence of talent mapping programs, lack of information career path, working just on duty or according to boss's orders or even because of another factor, creativity is limited to standard, meaning that it will not lead to out of box creativity, recruitment is not based on competency of talent, no employee training schedule, employee average is due to age. This study results can be interpreted Private that Colleges organization/management has not really optimized the talents that have been owned by each employee, because it does not have a carer path program. The development of HR management should be regulated, formed, and organized regarding talent mapping to support individual and organizational performance. In accordance with Capelli’s theory in Andry (2011) "Talent management is related to finding the right person with right skills for the right position". Groves (2007) said that Talent Management generally deals with training on development strategies, identifying talent gaps, succession planning, recruiting, selecting, educating, motivating and maintaining employees who have talent through various initiatives. The results of this study support Yusran (2011) and Rachmadhan 2011) that talent management affect on employee performance. Kosasih and (2007) also added that knowledge management has an important role to improve employee performance. Rachmawati (2012) and Foster ((2011) also found that talent management plays an important role to improve employee performance.

The Simultaneous Effect of Knowledge Management (X1) and Talent Management (X2) on Employee Performance (Y1) (H2)

Table 4 shows that Knowledge Management and Talent Management simultaneously have a positive and significant effect on employee performance. Based on the above diagram, Knowledge Management and Talent Management have a positive and significant effect on employee performance. This study indicates that partially each independent variable is significant and then the effect is relatively large and significant. This indicates the optimal talent management and knowledge within the organization should become a driver of employee performance. The results of this study are in line
with Yusran (2011) that knowledge management and talent management simultaneously affect on employee performance. Pudjo and Kamaludin (2015) and Priansa (2011) also stated that knowledge management can improve employee performance.

**The Effect of Knowledge Management (X1) on Competitive Advantages (Y2) (H3a)**

The study results on the effect of Knowledge Management (X1) on Competitive Advantage (Y2) indicate that some employees are still not optimal regarding aspects of human knowledge, the content of knowledge, a technology that supports and process of developing knowledge. These results are not in line with Anshori (2004) which shows that knowledge management has an important role to improve employee performance. Sulisyawati (2012) also stated that knowledge management will make the company superior in competition.

**The Effect of Talent Management (X2) on Competitive Advantage (Y2) (Hb3)**

Study results of the effect of Talent Management (X1) on competitive advantage (Y2) indicate that some employees are still not optimal regarding talent development, identification of talent gaps, employee talent planning, recruitment and selection based on the talent of prospective employees as well as needed education and training. But the fact also proves that competitive advantage can still work well, the existing constraints do not prevent individuals from performing well. This happens because other variables that are not measured in this study which are likely to be a driving factor for HR to perform well, these factors include (in writer's opinion): Leadership, motivation, tenure, loyalty, organization, team building, and technology. Benny (2013) showed that talent management must be concerned to increase competition in a tight market. Ciptagustia (2011) states that management talent will be able to make the company superior in competition.

**The Effect of Knowledge Management (X1) and Talent Management (X2) on the Competitive Advantage (Y2) (H4)**

Simultaneous testing results show that Knowledge Management and Talent Management simultaneously have a positive and significant effect on competitive advantage variable. This study results indicate that partially each independent variable is not significant and then the simultaneous effect is also relatively small although significant. This indicates that talent and knowledge management are not optimal within organization, which hopes to be a driver of competitive advantage. This is in line with Yusran (2011) that knowledge management is able to improve competitive advantage. In addition Ansori (2004) added that talent management is able to improve competitive advantage. Together knowledge management and talent management will be able to increase competitive advantage. Ciptagustia (2011) stated that management talent will be able to make the company superior in competition.

**The Effect of Employee Performance (Y1) on Competitive Advantages (Y2) (H5)**

Study results in the effect of Employee Performance (Y1) on Competitive Advantage (Y2) indicate that some employees have been optimal to fulfill work quality, effective and efficient in completing work, high timeliness in work and very productive. Facts prove that competitive advantage can work well. In addition to employee performance, there are many factors that support competitive advantages, such as leadership, motivation,
years of service, loyalty, organization, team building, and technology. Abadiyah (2015) found that employee performance can improve the company's competitive advantage.

CONCLUSION

Competitive advantage plays an important role in attracting more students. Therefore, competitive advantage needs to be improved by paying attention to employee performance. High performance will be created if employees have knowledge management and talent management that consistent with college needs. These study results produce conclusions below.

1. Knowledge Management (X1) significantly affects on Employee Performance (Y1).
2. Talent Management (X2) significantly affects on Employee Performance (Y1).
3. Knowledge Management (X1) and Talent Management (X2) simultaneously have a significant effect on Employee Performance (Y1).
4. Knowledge Management (X1) has an insignificant effect on Competitive Advantage (Y2).
5. Talent Management (X2) has an insignificant effect on Competitive Advantage (Y2).
6. Knowledge Management (X1) and Talent Management (X2) have a positive and significant effect on competitive advantage.
7. Employee Performance (Y1) has a Positive and Significant Effect on Competitive Advantage (Y2).

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