INSTITUTIONAL MEDIATION OF TALENT MANAGEMENT EFFECTIVENESS IN STATE-OWNED ENTERPRISES: A STRUCTURAL GOVERNANCE PERSPECTIVE FROM INDONESIA

Afifah Inayati[1]*, M. Syamsul Ma'arif[2], Nimmi Zulbainarni[3], Suhendi[4]

[1,2,3,4] *School of Business, IPB University, SB IPB Building, Padjajaran Road, Bogor, Indonesia.*

ABSTRACT

Talent management research has predominantly conceptualized effectiveness as a function of internally aligned human capital capabilities grounded in the resource-based view. However, limited attention has been given to how institutional governance structures shape talent management systems in state-owned enterprises (SOEs), particularly within emerging economies. This study addresses this gap by examining the structural determinants of talent management effectiveness in Indonesian SOEs. Using an exploratory structural modeling approach through Interpretive Structural Modeling (ISM) integrated with MICMAC analysis, the study analyzes 48 sub-elements across seven domains based on expert judgments from 13 practitioners, regulators, consultants, and academics. The findings reveal a four-layer hierarchical configuration in which regulatory authority, formal talent policy alignment, and top management commitment function as dominant structural drivers. In contrast, operational HR practices and performance outcomes are hierarchically dependent on governance-level stabilization. These results challenge capability-centric assumptions in strategic talent management theory by demonstrating that, in institutionally embedded organizations, effectiveness is governance-mediated rather than solely capability-driven. The study proposes an Institutional Mediation Model of Talent Management Effectiveness, contributing a system-level structural perspective that integrates institutional theory with strategic human capital management. The findings offer theoretical refinement and policy insight for state-controlled enterprises operating under strong regulatory oversight.

1. INTRODUCTION

Talent management has been widely positioned as a strategic mechanism for sustaining competitive advantage in volatile and knowledge-intensive environments (Bhastary et al., 2023). Rooted in the resource-based view (RBV), contemporary talent management theory assumes that firms can develop rare, valuable, and inimitable human capital through internally aligned systems of identification, development, and retention (Lubis et al., 2025). However, this assumption is largely derived from private-sector contexts where managerial discretion and market logic dominate decision-making.

State-owned enterprises (SOEs), particularly in emerging economies, operate under fundamentally different structural conditions (Indriaty & Thomas, 2023). From an institutional theory perspective, SOEs are embedded in competing institutional logics: commercial performance imperatives and state governance mandates (Mukhlis et al. 2023). This duality constrains managerial autonomy and reconfigures how strategic human capital decisions are formulated and executed. Talent management in SOEs is therefore not merely a strategic HR practice, but an institutionalized governance mechanism shaped by regulatory authority, political oversight, and bureaucratic hierarchy.

Despite the rapid global expansion of talent management research, three critical theoretical gaps remain (Lee et al., 2022). First, the literature predominantly conceptualizes talent management as a firm-level strategic capability, with limited attention to how external institutional actors structurally shape its effectiveness (Cania & Prendi, 2024). Second, prior studies often examine talent management components—such as succession planning, development programs, or retention policies—in isolation, rather than as interdependent systemic configurations. Third, there is insufficient understanding of hierarchical dependency structures within talent management systems, particularly regarding which elements function as structural drivers and which operate as outcomes.

These gaps are particularly salient in the context of Indonesian SOEs (Jahja et al., 2020). Indonesia represents one of the largest emerging economies where SOEs control strategic industries and employ a substantial workforce (Mukhlis & Saidah, 2025). The government has introduced national talent management mandates aimed at professionalizing leadership pipelines and strengthening governance. However, disparities in implementation maturity across SOEs raise fundamental questions about the structural determinants of talent management effectiveness within a state-regulated environment.

Addressing this problem requires moving beyond linear cause–effect analysis toward systemic structural modeling (Primadasa et al., 2025a). Interpretive Structural Modeling (ISM), integrated with MICMAC analysis, enables the identification of hierarchical relationships among actors, policy elements, organizational capabilities, constraints, objectives, and performance indicators (Assyifa et al., 2025). Rather than treating talent management as a bundle of practices, this approach conceptualizes it as a multi-layered system governed by differential driving power and dependency relationships.

Accordingly, this study seeks to develop a structural model of talent management effectiveness in Indonesian SOEs. Specifically, it addresses the following research questions:

1. What structural elements determine talent management effectiveness in Indonesian state-owned enterprises?
2. How do institutional and organizational actors interact within the talent management system?
3. Which elements function as dominant driving forces and which operate as dependent outcomes?

This study makes three primary contributions. First, it extends strategic talent management theory by incorporating an institutional governance lens, demonstrating that talent management effectiveness in SOEs is structurally conditioned by regulatory dominance rather than purely capability-based alignment. Second, it introduces a system-level hierarchical modeling approach to disentangle complex interdependencies among talent management elements. Third, it provides policy-relevant insight into how emerging economy governments can structure talent systems within state-controlled corporations to enhance organizational performance and leadership sustainability.

By situating talent management within the broader architecture of institutional governance, this study reframes effectiveness not as an operational outcome alone, but as a structurally mediated phenomenon embedded in state–enterprise relations.

2. LITERATURE REVIEW

2.1. Strategic Talent Management and the Resource-Based View

Strategic talent management (STM) is predominantly grounded in the resource-based view (RBV), which posits that sustainable competitive advantage emerges from valuable, rare, inimitable, and non-substitutable human capital resources (Mukhlis, 2025). Within this paradigm, talent management systems are designed to identify high-

potential individuals, develop leadership capabilities, ensure succession continuity, and retain strategic talent pools aligned with firm-level objectives.

The RBV implicitly assumes managerial autonomy in configuring internal human capital systems. Talent management effectiveness is therefore conceptualized as a function of internal capability alignment, strategic coherence, and leadership commitment (Ravina-Ripoll et al., 2024). Empirical studies in private-sector firms have largely reinforced this capability-driven perspective, suggesting that organizational performance improves when talent pipelines are systematically aligned with strategic priorities.

However, this theoretical framing may not fully capture the structural realities of organizations operating under strong institutional governance constraints.

2.2 Institutional Theory and Governance in State-Owned Enterprises

Institutional theory offers a complementary perspective by emphasizing that organizational practices are shaped not only by efficiency considerations but also by regulatory, normative, and cognitive pressures (Mukhlis & Abdullah, 2025). Organizations embedded in highly regulated environments must conform to external mandates to maintain legitimacy.

State-owned enterprises represent archetypical cases of institutional embeddedness (Hermanto et al., 2021). Unlike private corporations, SOEs operate under dual institutional logics:

1. Market logic – emphasizing efficiency, profitability, and competitiveness.
2. State logic – emphasizing public accountability, political oversight, and regulatory compliance.

This duality generates structural tension in strategic decision-making, including talent management (Mukhlis et al. 2025). Policy directives from government ministries, regulatory oversight mechanisms, and bureaucratic governance hierarchies may significantly shape the architecture of talent systems.

In such contexts, talent management cannot be understood solely as a firm-level capability. Rather, it becomes an institutionalized governance instrument mediated by regulatory authority.

2.3 Competing Logics and Structural Hierarchies in Talent Systems

The coexistence of commercial and state logics in SOEs creates a layered governance structure that may produce hierarchical dependencies among talent

management elements (Widhiyani et al., 2025). For example:

- Regulatory mandates may determine leadership appointment criteria.
- Governance frameworks may shape succession planning procedures.
- Budget allocation may constrain development programs.
- Political accountability may influence talent mobility decisions.

Consequently, certain actors—particularly regulators and top-level governance bodies—may possess disproportionate structural influence over the effectiveness of talent systems (Mukhlis, Janwari, et al., 2023). This suggests that talent management effectiveness in SOEs may be structurally conditioned by institutional dominance rather than emerging purely from internally configured HR capabilities.

2.4 System-Level Structural Modeling in Organizational Research

While prior talent management research has explored individual components (e.g., recruitment, succession, development), fewer studies have adopted system-level modeling approaches capable of identifying hierarchical interdependencies among multiple elements.

Interpretive Structural Modeling (ISM), combined with MICMAC analysis, enables the classification of elements according to driving power and dependency (Aini & Chen, 2025). This approach is particularly suited to contexts characterized by complex actor interactions and layered governance structures.

By applying ISM in the context of Indonesian SOEs, this study seeks to identify whether talent management effectiveness is primarily capability-driven (as suggested by RBV) or institutionally structured through governance hierarchies (Primadasa et al., 2025b).

2.5 Conceptual Argument: Institutional Dominance in Talent Architecture

Drawing from institutional theory and system modeling logic, this study advances the following conceptual argument:

In state-owned enterprises operating under strong regulatory oversight, talent management effectiveness is structurally governed by institutional actors who function as dominant drivers within the system (Mukhlis, 2025a). Organizational capabilities, development programs, and performance indicators are hierarchically dependent on regulatory and governance-level decisions.

This argument challenges the dominant RBV-oriented assumption that talent management

effectiveness primarily derives from internally aligned capabilities (Rossieta et al., 2025). Instead, it proposes that in institutionally embedded organizations, structural power asymmetry shapes the architecture of talent systems.

3. METHODOLOGY

3.1 Research Design and Context

This study adopts an exploratory structural modeling design using Interpretive Structural Modeling (ISM) integrated with MICMAC analysis to investigate the determinants of talent management effectiveness in Indonesian state-owned enterprises (SOEs) (Novatiani et al., 2022). The research is theory-building in orientation rather than hypothesis-testing, aiming to uncover hierarchical interdependencies among governance actors, policy instruments, organizational capabilities, and performance outcomes within a regulated institutional environment.

ISM was selected for three methodological reasons. First, the research problem involves complex multi-actor interactions and layered governance structures that cannot be adequately captured through linear statistical techniques (Nugraha et al., 2022). Second, causal relationships among elements are not yet theoretically stabilized, making structural modeling more appropriate than covariance-based approaches such as SEM. Third, ISM enables identification of driving power and dependency patterns, which is essential for examining institutional dominance within the talent management system.

The empirical setting comprises Indonesian SOEs, including both parent and subsidiary entities that have implemented formal talent management systems and established internal talent pools (Anggraeni et al., 2021). Indonesia provides a relevant context due to the strategic role of SOEs in national economic governance and the existence of formal regulatory mandates issued by the Ministry of SOEs regarding talent management implementation. Data collection was conducted between February 2023 and August 2024.

3.2 Expert Selection and Data Collection

A purposive expert sampling strategy was employed to ensure informed structural judgment. Thirteen experts participated in the study, all possessing direct strategic experience in designing, implementing, overseeing, or regulating talent management systems within SOEs.

The expert panel distribution is presented in Table 1.

Table 1: Profile of Expert Panel

Expert Category	Number of Participants	Professional Background
SOE Talent Management Practitioners	5	HR Directors, Talent Managers
Ministry of SOEs Officials	3	Human Capital Governance
HR Consultants	3	Talent System Advisory
Academics	2	Talent Management Research
Total	**13**	**—**

All participants were involved in strategic-level decision-making related to talent governance.

Data were collected through semi-structured interviews, focus group discussions (FGD), and structured pairwise comparison questionnaires following ISM protocol. During the ISM process, experts assessed contextual influence relationships between elements using directional logic (V, A, X, O).

To ensure reliability, divergent responses were discussed in structured consensus sessions. A consensus-based aggregation rule was applied: relationships were confirmed only when agreement was achieved through deliberation. This approach aligns with ISM's analytical generalization logic, where structural coherence is prioritized over statistical averaging.

3.3 Identification of Structural Elements

Structural elements were identified through literature synthesis and validated during preliminary expert consultations. Seven primary domains were retained to represent the systemic architecture of talent management in SOEs:
1. Institutional and organizational actors
2. Program architecture and policy instruments
3. Implementation constraints
4. Required strategic changes
5. Program objectives
6. Performance indicators
7. Enhancement strategies

Each domain was further decomposed into sub-elements derived from the empirical context and validated through expert discussion. Table 2 summarizes the structural domains.

Table 2: Structural Domains of the Talent Management System

Structural Domain	Representative Sub-elements
Institutional Actors	Regulator, Board of Commissioners, Board of Directors, Shareholders
Organizational Actors	HR Division, Unit Leaders, Talents
Program Architecture	Identification, recruitment, mapping, development, succession, retention
Governance Constraints	Policy implementation difficulty, inconsistent leadership commitment
Strategic Change Drivers	Leadership support, system integration, policy alignment
Performance Objectives	Critical position fulfillment, successor readiness
Performance Indicators	Talent readiness ratio, competency improvement ratio

3.4. ISM and MICMAC Analytical Procedure

The ISM analysis followed established methodological stages:

1. Construction of the Structural Self-Interaction Matrix (SSIM)
2. Conversion into a binary reachability matrix
3. Transitivity checks
4. Level partitioning to identify hierarchical ordering
5. Development of directed structural models

Following hierarchy construction, MICMAC analysis was conducted to evaluate driving power and dependency relationships. Each element was classified into one of four categories:

- Independent (strong driving power, weak dependence)
- Linkage (strong driving power, strong dependence)
- Dependent (weak driving power, strong dependence)
- Autonomous (weak driving power, weak dependence)

The classification logic underlying MICMAC analysis is illustrated in Figure 1 to provide a conceptual overview of driving power and dependency positioning.
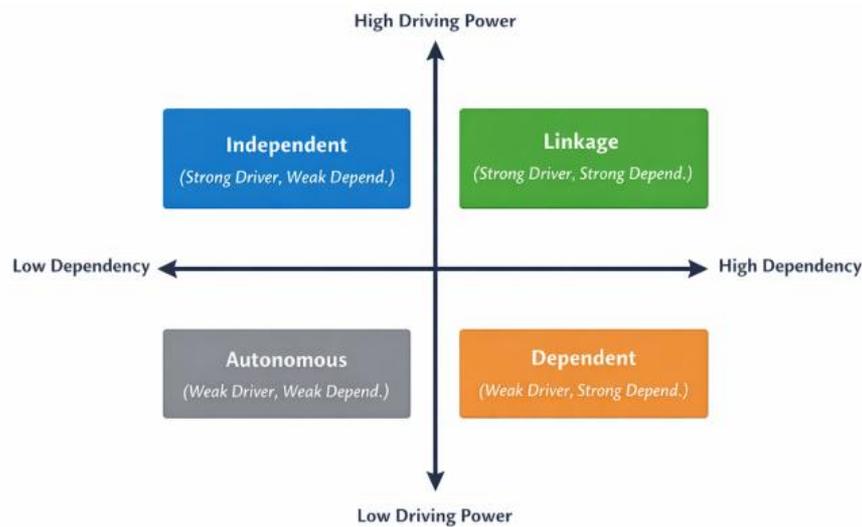

Figure 1: MICMAC Structural Classification Framework

As illustrated in Figure 1, elements positioned in the Independent quadrant possess high driving power and low dependency, indicating structural dominance within the system. Conversely, Dependent elements exhibit high reliance on other components, functioning primarily as systemic outcomes. This classification provides the analytical basis for identifying institutional drivers within the talent management architecture.

3.5 Rigor and Analytical Orientation

Methodological rigor was ensured through triangulation across interviews and FGDs, iterative matrix validation, and structured consensus verification. As ISM aims for analytical rather than statistical generalization, findings represent structurally modeled expert knowledge within the institutional context of Indonesian SOEs.

The analysis was explicitly guided by an institutional lens. Driving power was interpreted as structural governance influence rather than mere operational impact. This orientation enables examination of whether talent management effectiveness in SOEs is capability-driven or institutionally structured.

4. RESULTS

4.1. Structural Configuration of the SOE Talent Management System

The ISM analysis generated a structured configuration of talent management effectiveness in Indonesian SOEs across seven analytical domains: actors, program architecture, constraints, strategic changes, objectives, performance indicators, and enhancement strategies. Across these domains, a total of 48 sub-elements were identified and structurally evaluated.

Following reachability matrix stabilization and transitivity verification, the level partitioning process produced a four-level hierarchical structure. Subsequent MICMAC analysis classified the sub-elements according to their driving power and dependency characteristics.

Out of the 48 sub-elements analyzed, 13 were classified as Independent drivers, 17 as Linkage elements, 14 as Dependent elements, and 4 as Autonomous elements. This distribution indicates a structurally concentrated dominance pattern rather than a balanced capability configuration.

To provide a consolidated overview of structural positioning, Table 3 summarizes the classification pattern.

Table 3: MICMAC Structural Classification Summary

Structural Layer	Representative Elements	MICMAC Category	Structural Role
Institutional Governance	Regulator, Talent Policy, Top Management Commitment, Shareholder Oversight	Independent	Structural Drivers
Strategic Capability Configuration	Succession Planning, Leadership Development, Digital Integration	Linkage	System Stabilizers
Operational Talent Processes	Recruitment, Talent Mobility, Engagement, Retention Programs	Dependent	Implementation Mechanisms
Peripheral Support	External Service Providers	Autonomous	Supportive

As shown in Table 3, elements occupying the Independent quadrant possess strong driving power and low dependency, indicating structural dominance within the talent management architecture. These elements are primarily institutional in nature, including regulatory authority, formal policy instruments, and governance-level commitment.

Conversely, operational mechanisms such as talent mobility, engagement, and performance enhancement appear predominantly within the Dependent quadrant. Their effectiveness is structurally contingent upon upstream governance and strategic decisions.

4.2 Integrated Structural Hierarchy

Across the seven analytical domains, consistent structural patterns enabled consolidation into four overarching hierarchical layers. This consolidation reflects repeated positioning of elements within similar driving–dependency categories across domains.
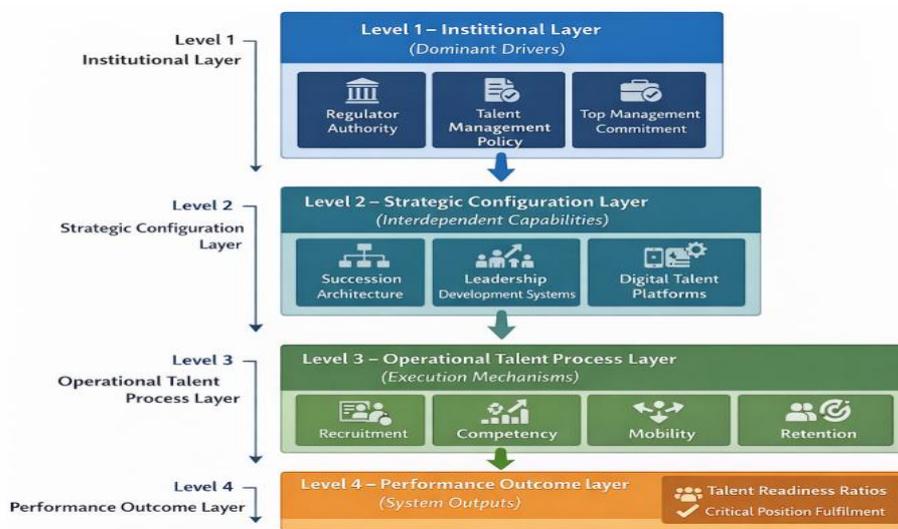

Figure 2: Integrated Structural Hierarchy of Talent Management Effectiveness in SOEs

As illustrated in Figure 2, the institutional layer occupies the highest hierarchical position, exerting influence downward across strategic and operational components. Performance outcomes appear at the

lowest hierarchical level, reflecting their dependency on upstream governance and capability configurations.

4.3 Cross-Domain Consistency of Institutional Dominance

Importantly, the dominance of institutional elements was observed consistently across domains. In the actor domain, regulators and governance bodies exhibited strong driving power. In the constraint domain, policy implementation difficulty emerged as a driver-level concern. In the strategic change domain, leadership commitment functioned as a key independent element. Similarly, within objectives and performance indicators, readiness metrics were structurally dependent rather than driving.

This cross-domain consistency strengthens the robustness of the findings. The structural configuration does not suggest isolated dominance within a single dimension; rather, it indicates systemic governance-level control over the architecture of talent management effectiveness in SOEs.

The absence of operational elements in the Independent quadrant further suggests that internal HR practices alone do not structurally drive effectiveness without institutional alignment.

5. DISCUSSION (Final Version)

5.1 Institutional Dominance over Capability Alignment

The findings of this study provide important theoretical implications for strategic talent management literature (Rissy, 2025). Dominant frameworks grounded in the resource-based view (RBV) conceptualize talent management effectiveness as a function of internally aligned capabilities—identification systems, development programs, succession planning, and retention strategies designed to cultivate valuable and inimitable human capital (Mukhlis, Arifin, Ridwan, Zulbaidah, et al., 2025).

However, the structural configuration identified in this study partially challenges this capability-driven assumption (Fitriningrum & Nuraini, 2026). The ISM–MICMAC analysis demonstrates that governance-level elements—particularly regulatory authority, formal talent policy alignment, and top management commitment—occupy the Independent quadrant with strong driving power and low dependency (Lestari et al., 2025). In contrast, operational HR practices and performance outcomes are structurally dependent on upstream governance and strategic configuration.

This pattern indicates that, in Indonesian SOEs, talent management effectiveness is institutionally structured rather than autonomously capability-driven (Mukhlis, Maryam, et al., 2023).

5.2 Talent Management as an Institutionalized Governance Mechanism

From an institutional theory perspective, SOEs operate under dual logics: market efficiency and state accountability (Alam et al., 2026). The structural dominance of regulatory and governance actors observed in this study reflects the embeddedness of talent systems within a broader governance architecture.

Talent management in this context functions not merely as a strategic HR instrument, but as an institutionalized governance mechanism (Mukhlis et al., 2024). Policies issued by the Ministry of SOEs shape succession criteria, leadership development pathways, digital system integration, and performance measurement standards (Shet & Bajpai, 2023). Consequently, internal capability configuration becomes contingent upon institutional authorization and regulatory coherence.

This finding extends institutional theory by demonstrating that regulatory authority can structurally organize internal human capital systems through hierarchical influence, rather than through normative diffusion alone (Cai et al., 2024).

5.3 Theoretical Implications of Structural Findings

To clarify how the findings refine existing theoretical assumptions, Table 4 summarizes the theoretical implications derived from the structural analysis.

Table 4: Theoretical Implications of Structural Findings

Structural Finding	RBV-Based Expectation	Institutional Interpretation	Theoretical Implication
Regulator positioned as Independent driver	External actors are peripheral to internal capability configuration	Regulatory authority structurally organizes talent architecture	Talent effectiveness is governance-mediated
Talent management policy exhibits strong driving power	Policy is an administrative support instrument	Policy functions as structural organizing mechanism	Institutional rules shape capability formation
Operational HR practices classified as Dependent	Recruitment and development drive competitive advantage	Operational practices rely on upstream governance alignment	Capability alone is insufficient without institutional stability
Top management commitment as driver-level element	Leadership commitment supports capability alignment	Leadership acts as governance transmission node	Strategic capability is activated through governance hierarchy
Performance indicators located in lowest hierarchy	Performance emerges from capability optimization	Outcomes depend on institutional and strategic stabilization	Effectiveness is hierarchically mediated

As shown in Table 4, the structural findings diverge from conventional RBV expectations. Rather than positioning operational HR capabilities as primary drivers, the evidence indicates governance-mediated capability formation (Yang et al., 2025). This reframes talent management effectiveness as structurally conditioned by institutional dominance.

5.4 Institutional Mediation Model of Talent Management Effectiveness

To synthesize the structural and theoretical insights, this study proposes an Institutional Mediation Model of Talent Management Effectiveness (Ramos et al., 2021).

The conceptual model is presented in Figure 3.

Figure 3: Institutional Mediation Model of Talent Management Effectiveness

As illustrated in Figure 3, institutional governance occupies the highest structural position, exerting influence downward across strategic capability configuration, operational talent processes, and ultimately performance outcomes (Yustina et al., 2024). The model conceptualizes effectiveness as hierarchically mediated rather than linearly produced.

This layered structure suggests that improvements at the operational level—such as mobility or engagement programs—cannot independently drive system-wide effectiveness unless institutional and governance-level alignment is stabilized (Agustin et al., 2025). In institutionally embedded organizations, capability optimization is structurally subordinate to regulatory coherence and governance commitment (Suárez Fernández et al., 2024).

5.5 Boundary Conditions of the Institutional Mediation Model

While the findings demonstrate clear institutional dominance within Indonesian SOEs, this configuration should not be generalized uncritically across all organizational contexts (Khaba et al., 2021). The institutional mediation pattern identified in this study is most salient in organizations characterized by strong regulatory embedding, centralized governance authority, and formal ministerial oversight (Maimunah et al., 2022).

In partially privatized enterprises or firms operating with higher managerial discretion, talent management systems may exhibit stronger capability-driven dynamics consistent with RBV assumptions (Yustikasari, 2025). Therefore, the Institutional Mediation Model proposed here should be interpreted as context-contingent, particularly applicable to state-controlled enterprises in emerging economies where governance structures significantly shape strategic decision-making processes (Yulista, 2025).

5.6 Theoretical Advancement

Overall, this study advances strategic talent management theory in three principal ways.

First, it introduces a governance-contingent refinement of RBV assumptions by demonstrating that talent management effectiveness in institutionally embedded organizations is structurally mediated rather than autonomously capability-driven (Sulastri, 2025).

Second, it advances a system-level structural modeling perspective, moving beyond fragmented analysis of individual talent practices toward hierarchical interdependency mapping (Sukmawati, 2025).

Third, it contributes contextual theorization by highlighting how state governance structures in emerging economies reorganize the architecture of talent systems (Satory, 2025).

Through this integration of institutional theory and structural modeling, the study reframes talent management effectiveness as a governance-mediated phenomenon embedded within state–enterprise relations (Nismawati, 2025).

5.7 Theoretical Contribution

This study makes three distinct theoretical contributions to the strategic talent management literature.

First, it advances a governance-contingent refinement of the resource-based view. While RBV positions internally aligned human capital capabilities as primary drivers of competitive advantage, the findings demonstrate that in institutionally embedded organizations such as state-owned enterprises, talent management effectiveness is structurally mediated by regulatory authority and governance alignment (Indra Martadinata, 2025). This shifts the locus of explanation from autonomous capability optimization to institutionally structured capability formation.

Second, the study contributes a system-level structural perspective to talent management research. Prior studies frequently analyze recruitment, succession, or development practices in isolation. By applying ISM–MICMAC modeling, this research reveals hierarchical interdependencies among institutional, strategic, operational, and outcome elements (Handayani, 2025). This structural mapping clarifies how talent systems function as integrated governance architectures rather than fragmented HR practices.

Third, the study offers contextual theorization by highlighting how emerging-economy governance environments reshape talent management architecture. The proposed Institutional Mediation Model demonstrates that talent systems in state-controlled enterprises are embedded within formal regulatory hierarchies, thereby expanding institutional theory into the domain of strategic human capital management.

Collectively, these contributions reposition talent management effectiveness as a hierarchically mediated governance phenomenon rather than solely a capability-driven outcome.

5.8 Practical and Policy Implications

The findings carry important implications for policymakers and SOE leaders.

First, reform initiatives aimed at improving talent effectiveness should prioritize institutional coherence before operational enhancement (Ade Sitorus, 2025). Strengthening leadership development programs or digital talent platforms alone may generate limited impact if regulatory alignment and governance commitment remain unstable.

Second, regulators overseeing SOEs should recognize their structural influence within talent systems (Syahidah et al., 2025). Clear policy frameworks, consistent evaluation standards, and

stable succession governance mechanisms are critical for sustaining effectiveness.

Third, boards and executive leadership teams function as transmission nodes between institutional mandates and operational implementation. Strengthening governance-level commitment can enhance downstream strategic and operational alignment.

Thus, talent management reform in SOEs requires coordinated governance intervention rather than isolated HR innovation.

5.9 Limitations and Future Research

Several limitations should be acknowledged.

First, the study relies on expert-based structural modeling rather than longitudinal performance data. While ISM enables hierarchical mapping of complex systems, future research may integrate quantitative performance metrics to examine dynamic impact over time.

Second, the empirical context is limited to Indonesian state-owned enterprises. Although the findings contribute to contextual theorization, cross-country comparative studies could further validate or refine the Institutional Mediation Model in different governance regimes.

Third, the analysis focuses on structural dominance patterns rather than micro-level behavioral mechanisms. Future research may explore how institutional pressures are translated into managerial decision-making processes within talent systems.

These avenues offer opportunities to extend the theoretical refinement proposed in this study.

6. CONCLUSION

This study demonstrates that talent management effectiveness in Indonesian state-owned enterprises is structurally mediated by institutional governance rather than driven solely by internally configured human capital capabilities. Through ISM–MICMAC structural modeling, the findings reveal a hierarchical architecture in which regulatory authority, formal policy alignment, and top management commitment function as dominant drivers, while operational talent processes and performance outcomes occupy dependent positions. These results refine dominant resource-based assumptions by showing that in institutionally embedded organizations, capability formation is contingent upon governance stabilization and regulatory coherence.

By proposing the Institutional Mediation Model of Talent Management Effectiveness, this study repositions talent management in SOEs as a governance-mediated system embedded within

state–enterprise relations. The findings underscore that sustainable effectiveness requires alignment across institutional, strategic, and operational layers rather than isolated HR interventions. In doing so, the study contributes to strategic talent management theory, institutional theory, and public enterprise governance by offering a system-level explanation of how talent architectures are structurally organized in emerging economy state-controlled organizations.

7. ACKNOWLEDGMENT

CONFLICTS OF INTEREST:

The author declares no conflict of interest.

REFERENCES

Ade Sitorus, S. (2025). Phenomenological Study of Senior Executive Experiences in Navigating Strategic Ambiguity in VUCA Environments. *Journal of Business, Management, and Accounting*, 1(5), 194–202.

Agustin, E. S. A. S., Listiyanto, E., & Komaria, N. (2025). Debt sustainability of state-owned enterprises in Indonesia. *Cogent Business and Management*, 12(1). Scopus. https://doi.org/10.1080/23311975.2025.2453822

Aini, B. K., & Chen, M.-C. (2025). Exploring barriers and developing strategies for implementing smart supply chain management with Delphi method and ISM-MICMAC. *Research in Transportation Business and Management*, 62. Scopus. https://doi.org/10.1016/j.rtbm.2025.101439

Alam, S., Dong, Z., Kularatne, I., & Rashid, M. S. (2026). Exploring approaches to overcome challenges in adopting human resource analytics through stakeholder engagement. *Management Review Quarterly*, 76(1), 729–787. Scopus. https://doi.org/10.1007/s11301-025-00491-y

Anggraeni, A. F., Winarningsih, S., & Suprijadi, J. (2021). How to improve the quality of accounting information system in digital era (an empirical study of state-owned enterprises in Indonesia). *Economic Annals-XXI*, 194(11–12), 119–127. Scopus. https://doi.org/10.21003/ea-v194-15

Assyifa, M. R. A., Primadasa, R., Kusrini, E., Mansur, A., Purnomo, M. R. A., & Masudin, I. (2025). Enhancing of sustainable logistics for liquefied petroleum gas: An integrated fuzzy Grey-Number ELECTRE-ISM-MICMAC framework. *Journal of Data, Information and Management*, 7(4), 315–343. Scopus. https://doi.org/10.1007/s42488-025-00154-3

Bhastary, M. D., Rahman Lubis, A. R., Utami, S., & Kesuma, T. M. (2023). Implementation Of Talent Management as An Effort to Realize Sustainable Performance of The Palm Oil Industry in Indonesia. *Quality - Access to Success*, 24(195), 255–262. Scopus. https://doi.org/10.47750/QAS/24.195.30

Cai, X., Xiang, H., Neskorodieva, I., & Durmanov, A. (2024). Interrelation between human capital management and ESG engagement: Evidence from S&P 500 firms. *Humanities and Social Sciences Communications*, 11(1). Scopus. https://doi.org/10.1057/s41599-024-04189-6

Cania, L., & Prendi, L. (2024). STRATEGIC TALENT MANAGEMENT: ENHANCING CORPORATE PERFORMANCE AND GOVERNANCE. *Corporate Law and Governance Review*, 6(3), 103–112. Scopus. https://doi.org/10.22495/clgrv6i3p11

Fitriningrum, A., & Nuraini, D. (2026). The impacts of government projects on the state owned enterprises capital structure and performance. *International Journal of Public Sector Performance Management*, 17(1), 1–20. Scopus. https://doi.org/10.1504/IJPSPM.2026.150452

Handayani, L. (2025). Interpretative Phenomenological Analysis of University Students' Experiences of National Identity among Indonesian University Students in the Digital Age: An IPA Approach. *Journal of Educational Innovation and Research*, 1(5), 173–179.

Hermanto, Y. B., Lusy, L., & Widyastuti, M. (2021). How financial performance and state-owned enterprise (Soe) values are affected by good corporate governance and intellectual capital perspectives. *Economies*, 9(4). Scopus. https://doi.org/10.3390/economies9040134

Indra Martadinata, M. (2025). Phenomenological Study of Airport Staff's Experiences in Managing Increased Air Traffic during Peak Periods. *Journal Homepage: Https://Journals.Ai-Mrc.Com/jmriJournal of Multidisciplinary Research and Innovation*, 1(5), 194–202.

Indriaty, L., & Thomas, G. N. (2023). Analysis of Hexagon Fraud Model, the S.C.C.O.R.E Model Influencing Fraudulent Financial Reporting on State-Owned Companies of Indonesia. *ECONOMICS - Innovative*

and Economics Research Journal, 11, 73–92. Scopus. https://doi.org/10.2478/eoik-2023-0060

Jahja, J., Mohammed, N. F., Mohamed, N., & Lokman, N. (2020). Corporate Governance, Managerial Diversion, and Indonesian State-Owned Enterprises: A Literature Review. *International Journal of Financial Research*, 11(5), 510–517. Scopus. https://doi.org/10.5430/ijfr.v11n5p510

Khaba, S., Bhar, C., & Ray, A. (2021). A study on key lean enablers of the coal mining sector using ISM, MICMAC and SEM. *TQM Journal*, 33(6), 1281–1305. Scopus. https://doi.org/10.1108/TQM-04-2020-0069

Lee, J. Y., Yahiaoui, D., Lee, K.-P., & Cooke, F. L. (2022). Global talent management and multinational subsidiaries' resilience in the Covid-19 crisis: Moderating roles of regional headquarters' support and headquarters–subsidiary friction. *Human Resource Management*, 61(3), 355–372. Scopus. https://doi.org/10.1002/hrm.22100

Lestari, I. G. A. A. I., Sudarsana, D. K., Astana, I. N. Y., & Yana, A. A. G. A. (2025). Risk Mitigation Based on ISM-MICMAC Method for Subsidized Housing Development in Construction Stage. *Journal of Engineering, Project, and Production Management*, 15(4). Scopus. https://doi.org/10.32738/JEPPM-2025-121

Lubis, H., Feriyanto, N., Pratami, A., & Pratama, K. (2025). Leadership Strategies to Face the Challenges of Human Resources Management Competency Transformation by Utilizing Big Data. *International Journal of Operations and Quantitative Management*, 31(3), 1612–180. Scopus. https://doi.org/10.46970/2025.31.3.09

Maimunah, S., Winarningsih, S., & Farida, I. (2022). How does State Equity Participation Contribute to Performance of State-Owned Enterprises in Indonesia? *Cuadernos de Economia*, 45(127), 32–43. Scopus. https://doi.org/10.32826/cude.v1i127.603

Mukhlis, L. (2025a). A Phenomenological Study of Personal Spiritual Experiences in Navigating Religious Pluralism within Interfaith Communities. *Irfana: Journal of Religious Studies*, 1(6), 212–220.

Mukhlis, L. (2025b). Spiritual Grounds for Economic Growth: A Qualitative Exploration of Rural Indonesian Women's Transformative Journeys Through Mosque-Led Empowerment Programs. *Servina: Jurnal Pengabdian Kepada Masyarakat*, 1(8), 289–298.

Mukhlis, L., Arifin, T., Ridwan, A. H., & Zulbaidah. (2024). Integrating Artificial Intelligenceand Maqāṣid al-Syarī'ah: Revolutionizing Indonesia's Sharia Online Trading System. *Computer Fraud and Security*, 2024(11), 301–309. https://doi.org/10.52710/cfs.238

Mukhlis, L., Arifin, T., Ridwan, A. H., & Zulbaidah. (2025). Reorientation of Sharia Stock Regulations: Integrating Taṣarrufāt al-Rasūl and Maqāṣid al-Sharī'ah for Justice and Sustainability. *Journal of Information Systems Engineering and Management*, 10(10s), 58–66. https://doi.org/10.52783/jisem.v10i10s.1341

Mukhlis, L., Arifin, T., Ridwan, A. H., Zulbaidah, Rosadi, A., & Solehudin, E. (2025). Reformulation of Islamic Stock Law: The Application of Taṣarrufāt al-Rasūl and Maqāṣid al-Syarī'ahto Develop a Dynamic and Sustainable Islamic Capital Market in Indonesia. *Journal of Posthumanism*, 5(3), 1–13. https://doi.org/10.63332/joph.v5i3.913

Mukhlis, L., Janwari, Y., & Syafe`i, R. (2023). INDONESIA STOCK EXCHANGE: THEORETICAL AND PHILOSOPHICAL ANALYSIS OF MUDHARABAH AND MUSYARAKAH CONTRACTS. *Yurisprudentia: Jurnal Hukum Ekonomi*, 9(2), 243–264. https://doi.org/10.24952/yurisprudentia.v9i2.8466

Mukhlis, L., Suradi, Janwari, Y., & Syafe`i, R. (2023). Sosialisasi Saham Syariah sebagai Instrumen Pengembangan Ekonomi Masyarakat di Badan Kontak Majelis Taklim (BKMT) Kabupaten Mandailing Natal. *Jurnal Pengabdian Multidisiplin*, 3(2), 2–9. https://doi.org/10.51214/japamul.v3i2.604

Nismawati. (2025). Exploring Lived Experiences of Post-Therapy Recovery after Spinal Cord Injury. *Journal of Regenerative Medicine and Molecular Innovation*, 1(5), 174–181.

Novatiani, R., Afiah, N. N., & Soemantri, R. (2022). RISK MANAGEMENT AND OTHER FACTORS PREVENTING FRAUDULENT FINANCIAL REPORTING BY STATE-OWNED ENTERPRISES IN INDONESIA. *Asian Economic and Financial Review*, 12(8), 686–711. Scopus. https://doi.org/10.55493/5002.v12i8.4587

Nugraha, U., Rahayu, A. Y. S., & Wijaya, C. (2022). Public Value Creation in State-Owned Enterprises and Economic Recovery Post Covid-19: The Case of Bank Rakyat Indonesia. *Review of Integrative Business and Economics Research*, 12(4), 149–162. Scopus.

Primadasa, R., Kusrini, E., Mansur, A., & Masudin, I. (2025a). Enhancing SME supply chain sustainability through organizational ambidexterity and supply chain agility using the MOORA-ISM-MICMAC

framework. *Sustainable Futures*, *10*. Scopus. https://doi.org/10.1016/j.sftr.2025.101373

Primadasa, R., Kusrini, E., Mansur, A., & Masudin, I. (2025b). Integrating DEMATEL-ISM-MICMAC: an interconnected model of halal-sustainable supply chain management (HSSCM) indicatorsfor SMEs. *Journal of Islamic Marketing*, *16*(8), 2244–2275. Scopus. https://doi.org/10.1108/JIMA-07-2024-0303

Ramos, E., Pettit, T. J., Habib, M., & Chavez, M. (2021). A model ISM-MICMAC for managing risk in agri-food supply chain: An investigation from the Andean region of Peru. *International Journal of Value Chain Management*, *12*(1), 62–85. Scopus. https://doi.org/10.1504/IJVCM.2021.112845

Ravina-Ripoll, R., Díaz-García, G. A., Ahumada-Tello, E., & Galván Vela, E. (2024). Emotional wage, happiness at work and organisational justice as triggers for happiness management. *Journal of Management Development*, *43*(2), 236–252. Scopus. https://doi.org/10.1108/JMD-02-2023-0046

Rissy, Y. Y. W. (2025). The Call to Shift from the Narrow Legalistic to the Broader Moral and Legal Stakeholder Model in Indonesian State-Owned Enterprises: Its Implications and Challenges. *Journal of Risk and Financial Management*, *18*(2). Scopus. https://doi.org/10.3390/jrfm18020059

Rossieta, H., Geraldina, I., & Mita, A. F. (2025). STATE OWNERSHIP, CORPORATE MISSIONS AND ACCOUNTABILITY OF DIVIDEND POLICY: EMPIRICAL EVIDENCE OF STATE-OWNED ENTERPRISES GOVERNANCE. *Journal of Governance and Regulation*, *14*(1 Special Issue), 381–388. Scopus. https://doi.org/10.22495/jgrv14i1siart14

Satory, A. (2025). Emotional Meaning-Making in Legal Consultants Managing Digital Contract Disputes: An Interpretative Phenomenological Study. *Hukmuna: Journal of Law and Policy*, *1*(5), 195–202.

Shet, S. V., & Bajpai, A. (2023). Integrating competency modeling in talent management: Framework for implications in a disruptive environment. *Thunderbird International Business Review*, *65*(1), 177–187. Scopus. https://doi.org/10.1002/tie.22246

Suárez Fernández, Ó., Maside-Sanfiz, J. M., López-Penabad, M. C., & Alzghoul, M. O. (2024). Do diversity & inclusion of human capital affect ecoefficiency? Evidence for the energy sector. *Green Finance*, *6*(3), 430–456. Scopus. https://doi.org/10.3934/GF.2024017

Sukmawati. (2025). Understanding the Emotional, Social, and Existential Dimensions of Living with Continuous Glucose Monitoring: An Interpretative Phenomenological Analysis of Adults with Type 2 Diabetes. *Journal of Digital Health Innovation and Medical Technology*, *1*(7), 289–298.

Sulastri, A. (2025). Exploring the Experiences of Pharmaceutical Practitioners in the Development and Evaluation of Herbal Products as Alternative Therapy in Indonesia: Challenges and Strategies in Quality Control and Regulation. *PhytoCare: Journal of Pharmacology and Natural Remedies*, *1*(3), 96–104.

Syahidah, F., Rabbani, Q. S., Sopandi, T. P., & Putri, Z. N. (2025). Financial Literacy Intervention for Rural Farmers: A Qualitative Study on Collective Wealth Building through Simulation-Based Learning in Mekarmanik Village, Indonesia. *Journal Homepage: Https://Journals.Ai-Mrc.Com/finanomicsJournal of Economic and Financial Studies*, *1*(7), 323–329.

Widhiyani, N. L. S., Setiawan, P. E., Krisnadewi, K. A., Ardiana, P. A., Widiani, N. M. S., Pratama, E. A., & Yanthi, K. D. L. (2025). Navigating timeliness: Decoupling in corporate external reporting by Indonesian state-owned enterprises (SOEs). *Public Money and Management*, *45*(7), 819–827. Scopus. https://doi.org/10.1080/09540962.2025.2462784

Yang, M., Yue, S., Dong, D., & Cao, J. (2025). Management integrity and the cost of equity capital: Evidence from Chinese listed firms. *Research in International Business and Finance*, *77*. Scopus. https://doi.org/10.1016/j.ribaf.2025.102935

Yulista, Y. (2025). Meaning-Making among Islamic Philosophy Students through Engagement with Sufi Literature. *Humanexus: Journal of Humanistic and Social Connection Studies*, *1*(7), 253–260.

Yustikasari. (2025). Digital Self-Reconstruction: Postgraduate Reflections on YouTube's Role in Identity Formation. *CommVersa: Journal of Communication Studies*, *1*(5), 175–181.

Yustina, A. I., Dewi, C. N., Mahmudah, H., & Hajanirina, H. (2024). Corporate Governance Mechanism for Carbon Emission Disclosure: Evidence from State-Owned Enterprises in Indonesia. *Global Business and Finance Review*, *29*(4), 28–42. Scopus. https://doi.org/10.17549/gbfr.2024.29.4.28