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THE TRANSFORMATION OF TALENT MANAGEMENT IN THE FACE OF THE ARTIFICIAL INTELLIGENCE ERA IN TECHNOLOGY COMPANIES IN INDONESIA

Khaeruman[1] , Irma Nurmala Dewi[2*] , Anita Ariffin[3]
[1.2] Universitas Bina Bangsa, Indonesia
[3]Universiti Malaya, Malaysia
Email: *khaeruman.oce@gmail.com[2]* , irma.nurmala.dewi@binabangsa.ac.id[2], anitaariffin20@gmail.com[3]

Abstract
The transformation of talent management has become a strategic issue for technology companies in line with the rapid development of *artificial intelligence* (AI). This study aims to analyze the transformation of talent management in the face of the AI era within technology companies in Indonesia. The research employs a qualitative approach using a case study design. Data collection was carried out through in-depth interviews, observation, and documentation at PT Tekno Maju Indonesia during November–December 2025. Data analysis utilized manual coding and thematic analysis, encompassing data reduction, data presentation, and the drawing of conclusions. The findings indicate that the implementation of AI has improved the efficiency of the recruitment process through the automation of candidate screening; however, final decisions still require an assessment by Human Resources regarding *cultural fit* and *soft skills*.
Furthermore, the company has revised its talent development strategy by prioritizing AI literacy, critical thinking skills, adaptability, and continuous *upskilling* programs. The study also identified the phenomenon *of 'AI anxiety',* which affects employees' readiness to face digital transformation. To address this, companies are implementing transparent communication, continuous training, and a *human-centered* approach *to change management*. This research contributes to the body of knowledge on AI-driven talent management transformation. It serves as a reference for technology companies in designing adaptive, innovative, and sustainable human resource management strategies in the era of artificial intelligence.
Keywords: Talent Management, Artificial Intelligence, Digital Transformation, Technology Companies, Human Resources.

INTRODUCTION

Management is a discipline that focuses on the systematic process of managing an organization's various resources through the functions of planning, organizing, directing, and controlling, to achieve predetermined objectives effectively and efficiently. In line with developments in management theory and practice, human resources are no longer viewed merely as a factor of production, but rather as strategic capital that plays a role in enhancing an organization's competitiveness and sustainability. This situation requires organizations to focus not only on the recruitment of competent staff, but also on the continuous development, retention, and empowerment of individual potential through the implementation of talent management. In this context, Linawati, Aswad and Azis (2024) state that talent management has evolved into one of the strategic approaches widely adopted by organizations in responding to an increasingly dynamic business environment. Nevertheless, the implementation of talent management in Indonesia still faces various challenges, meaning that the practices applied across various organizations do not yet fully reflect the ideal concepts developed in academic research.

The rapid development of digital technology has driven the utilization of Artificial Intelligence (AI) as a strategic innovation in human resource management across various organizations. The advent of AI has transformed talent management from a conventional approach to a *data*-driven one, enabling various employee management processes to be carried out more quickly, objectively, and accurately. The application of AI is not limited to the recruitment and selection of prospective employees, but also encompasses the identification of competencies, the mapping of individual potential, career development planning, workforce needs analysis, and performance evaluation, all supported by the use of data and analytical technology. According to Mir (2024), the integration of AI into talent management contributes to improved decision-making quality, operational efficiency, and precision in human resource planning. Nevertheless, the implementation of this technology still faces various challenges, including those related to ethical considerations, personal data protection, potential algorithmic bias, and the level of organizational readiness to adopt digital transformation. In line with this, Tusquellas, Palau, and Santiago (2024) argue that the use of AI offers significant opportunities to create more personalized learning experiences, identify competencies more comprehensively, and support the continuous professional development of employees. Consequently, the implementation of AI is a key factor in building a talent management system that is more adaptive, innovative, and responsive to the dynamics of the changing business environment and technological developments.

The technology sector in Indonesia is the fastest to adopt artificial intelligence, making it a relevant area for research. The rapid development of the digital industry, *software development*, *financial technology*, *e-commerce,* and *artificial intelligence* has led to a continuously rising demand for digital talent. At the same time, companies face challenges in recruiting and retaining staff with digital skills that keep pace with technological developments. Linawati et al. (2024) state that many organizations in Indonesia have adopted the concept of talent management. Still, its implementation has not yet been comprehensive, particularly in terms of talent development and retention.

The era of artificial intelligence is a key factor influencing the transformation of talent management. AI is driving changes in competency requirements, the emergence of new roles, and an increasing need for *reskilling* and *upskilling* amongst employees. Furthermore, organizations are required to foster a work culture that is adaptable to technological innovation. According to Santoso, Efendi and Nurwulandari (2024), the utilization of AI and *Big Data* in talent management is influenced by the namely, the readiness of human resources, data security, and management's readiness to embrace digital change.

Observations of several technology-based companies in Indonesia, combined with a review of various recent studies, indicate that the application of Artificial Intelligence (AI) in talent management remains concentrated in the early stages of the human resource management cycle, particularly the recruitment and candidate screening processes. The use of AI in other strategic functions, such as career development planning, succession management, analytics-based learning, the identification of employee potential, and talent retention strategies, has not yet been optimally implemented. This situation indicates that digital transformation in talent management has not yet been fully integrated into all human resource management processes. Furthermore, the implementation of AI still faces various challenges, including limited digital skills and AI literacy amongst employees, an organizational culture that is not yet fully supportive of technology adoption, and the lack of systems capable of integrating AI into the entire talent management cycle. These findings are consistent with the results of Mir's (2024) research, which states that the application of AI in talent management is still predominantly focused on recruitment and selection functions, whilst its implementation in strategic areas such as talent development, succession planning and career management remains at an early stage of development in many organizations.

This phenomenon indicates that technology companies in Indonesia are currently undergoing a major transformation in talent management. On the one hand, AI offers opportunities to improve the efficiency and quality of HR decision-making; on the other hand, it presents challenges in the form of changing skill sets, the need for continuous learning, the risk of algorithmic bias, the protection of employee data, and resistance to technological change. These conditions have led to the emergence of various issues, including a *digital skills gap*, a high demand *for reskilling* and *upskilling*, suboptimal integration of AI across all talent management processes, limited organizational readiness to manage change, and the need to strike a balance between the use of technology and a *human-centered* approach *to talent management*. Therefore, research into Talent Management Transformation in the Face of the Age of Artificial Intelligence in Technology Companies in Indonesia is crucial to gaining a comprehensive understanding of organizational strategies for managing talent effectively amidst the rapid development of AI.

Previous research indicates that the transformation of talent management based on artificial intelligence is increasingly becoming a key focus in modern human resource management. Linawati et al. (2024) reveal that the implementation of talent management in Indonesia still requires strengthening in the areas of talent development and retention. Furthermore, Mir (2024) demonstrated that AI is capable of enhancing the effectiveness of recruitment, selection, and HR decision-making processes. Tusquellas et al. (2024) emphasized that AI plays a vital role in supporting personalized

learning and the development of employees' competencies. Meanwhile, Santoso et al. (2024) found that the success of AI implementation is influenced by organizational readiness, the quality of human resources, and data governance. Furthermore, Tripathi (2025) concluded that AI-based talent management transformation must be balanced with a focus on ethics, transparency, and competency development to create a sustainable competitive advantage for the organization.

Although various previous studies have examined the application of artificial intelligence in talent management, the majority still focus on conceptual analyses, *systematic literature reviews*, or evaluations of AI implementation in general. The research by Mir (2024), Tusquellas et al. (2024), and Tripathi (2025) highlights the benefits, opportunities, and challenges of AI in talent management practices globally, whilst studies specifically examining the transformation of talent management in technology companies in Indonesia remain very limited. Furthermore, there is little research that explores how organizations are adapting to changes in competencies, work culture, and talent development strategies resulting from the accelerated adoption of AI.

The novelty of this research lies in the approach used to examine the comprehensive transformation of talent management within the context of technology companies in Indonesia in the era of Artificial Intelligence (AI) adoption. Unlike previous studies, which generally focused on the application of AI in the recruitment and selection of employees, this study analyses the implementation of AI at every stage of the talent management cycle, covering talent identification and acquisition, competency development, performance management, succession planning, employee retention, and organizational readiness to adopt AI-based technology. Furthermore, this study also considers organizational factors, such as work culture and human resource readiness, as well as ethical and data governance challenges that influence the success of AI implementation in talent management. Through this approach, the study is expected to enrich empirical research on talent management transformation in technology companies in Indonesia, whilst producing a conceptual model that is more relevant to organizational characteristics in the digital age. The findings of this study are also expected to provide practical contributions in the form of strategic recommendations for companies in designing integrated, adaptive, and sustainable talent management systems, thereby enhancing organizational competitiveness amidst the rapid development of artificial intelligence technology.

LITERATURE REVIEW

Talent Management

Talent management is a strategic concept within human resource management that focuses on managing high-potential individuals so that they can make an optimal contribution to the achievement of organizational objectives. This approach encompasses a series of integrated processes, ranging from the identification of talent needs and acquisition and selection to competency development,

career management, and employee retention, as part of efforts to retain human resources of strategic value. From a modern management perspective, an organization's success is determined not only by its possession of physical or technological resources, but also by its ability to manage and develop talent sustainably as a source of competitive advantage. Collings, McDonnell, and Scullion (2024) explain that talent management has evolved into an integral part of organizational strategy to address an increasingly complex, dynamic, and competitive business environment. Meanwhile, Gallardo-Gallardo and Thunnissen (2023) emphasize that the effectiveness of talent management implementation is significantly influenced by an organization's ability to adapt its talent management policies and practices to the organization's characteristics, business needs, and the ever-changing developments in digital technology. Consequently, the implementation of talent management is no longer viewed merely as an operational activity, but rather as a long-term strategy focused on improving organizational performance, ensuring business sustainability, and creating value through the development of high-caliber human resources.

Digital Transformation

Digital transformation means that organizations must be able to integrate digital technology into all business processes to enhance effectiveness, innovation, and competitiveness. Digital transformation is not merely about the adoption of technology, but also encompasses changes in organizational culture, leadership, human resource competencies, and business models. According to Verhoef et al. (2023), digital transformation is a strategic change process that simultaneously involves technology, organizations, and people. Meanwhile, Vial (2023) states that the success of digital transformation is largely determined by an organization's ability to manage change and create value through the utilization of digital technology.

Resource-Based View (RBV)

The Resource-Based View (RBV) theory holds that sustainable competitive advantage stems from an organization's ability to manage and utilize internal resources that are valuable, rare, inimitable, and non-substitutable. From this perspective, human resources are not merely a factor of production but a strategic asset capable of creating added value and driving the organization's success in the face of competition. In technology companies, talent possessing competencies in Artificial Intelligence (AI), digital literacy, data analysis skills, and innovation capacity constitutes a strategic resource that can boost productivity, accelerate digital transformation, and strengthen the organization's competitiveness. Barney (1991) emphasizes that sustainable competitive advantage does not stem solely from external factors, but is built through the management of unique internal resources that are difficult for other organizations to replicate. In line with this view, Kozlenkova et al. (2024) argue that the Resource-Based View (RBV) remains one of the most relevant theoretical

frameworks for explaining how organizations achieve competitive advantage through the strategic management of human resources. Therefore, in the context of digital transformation, the development of talent proficient in AI technology and digital competencies constitutes a strategic investment that not only supports the achievement of organizational objectives but also strengthens the company's ability to adapt to technological changes and the increasingly complex dynamics of the business environment.

METHOD

The research methodology section explains the scientific approach used to collect data and produce findings that address the research focus. In this study, the methodology was systematically designed to ensure that the processes of data collection, analysis, and interpretation were conducted objectively, in depth, and in accordance with the characteristics of qualitative research. This approach was chosen as it is capable of comprehensively describing the transformation of talent management in the face of the artificial intelligence era within technology companies in Indonesia (Creswell & Poth, 2024; Yin, 2023).

Research Approach

This study employs a qualitative approach using a case study design. The qualitative approach was chosen as it aims to gain an in-depth understanding of the phenomenon of talent management transformation occurring within technology companies in Indonesia in response to developments in *artificial intelligence* (*AI*). Through this approach, the researchers can explore the experiences, perceptions, strategies, and organizational policies regarding talent management amidst highly dynamic technological change. According to Creswell and Poth (2024), qualitative research is oriented towards understanding the meaning of a phenomenon based on participants' perspectives within a natural context. Meanwhile, Yin (2023) states that case studies are particularly well-suited to examining contemporary phenomena that are still unfolding and are influenced by the organizational context.

Research Location and Timeframe

The research was conducted at several technology companies in Indonesia that have implemented digital transformation and utilize artificial intelligence in their human resource management activities. The selection of locations was carried out using a purposive approach, taking into account companies with digital technology-based talent management practices, thereby ensuring they could provide information relevant to the research focus. The research took place from November to December 2025, covering the stages of preparation, data collection, data reduction, analysis, and the compilation of research findings.

Research Informants

Research informants were selected using purposive sampling, which involves selecting individuals considered to possess the knowledge, experience, and direct involvement in the implementation of AI-based talent management. The informants comprised Human Resources (HR) leaders, talent development managers, HR supervisors, and employees involved in the implementation of AI technology within human resource management processes. This technique was chosen because it is capable of yielding rich and in-depth data in line with the research requirements (Campbell et al., 2024).

Data Collection Techniques

Data collection was carried out through in-depth interviews, observation, and documentation. Interviews were used to obtain information regarding talent management transformation strategies, the challenges of AI implementation, and changes in employee competencies. Observation was conducted on HR management activities utilizing digital technology, whilst documentation was obtained from company policies, annual reports, HR documents, and various other supporting records. The use of these various techniques aimed to enhance the depth of information whilst strengthening the validity of the data through triangulation (Creswell & Poth, 2024).

Data Analysis Techniques

Data analysis was carried out using the Miles, Huberman, and Saldaña interactive model, which encompasses data condensation, data presentation, and the drawing and verification of conclusions. The analysis was carried out iteratively from data collection through completion, enabling the researcher to identify patterns, relationships between categories, and key themes relating to the transformation of talent management in the face of the artificial intelligence era. According to Miles, Huberman, and Saldaña (2024), qualitative data analysis is a cyclical process, meaning that the interpretation of the data continues to evolve throughout the course of the research.

Data Validity

The validity of the data was tested through source triangulation, methodological triangulation, member checking, and by ensuring the researcher's diligence throughout the data collection and analysis process. Triangulation was carried out by comparing the results of interviews, observations, and documentation to ensure consistent information. In addition, the researcher sought confirmation from informants (*member checking*) to ensure that the interpretations were consistent with actual experiences and conditions in the field. These steps aimed to enhance the credibility, reliability, confirmability, and transferability of the research findings, as recommended in modern qualitative research (Creswell & Poth, 2024; Yin, 2023).

RESEARCH FINDINGS AND DISCUSSION

Research Findings

This study aims to analyze the transformation of talent management in the face of the artificial intelligence era within technology companies in Indonesia. Research data were obtained through in-depth interviews with the Chief Human Resources Officer of PT Tekno Maju Indonesia, field observations, and document analysis during November–December 2025. The analysis was conducted using manual coding techniques and a thematic matrix to identify patterns, categories, and key themes that illustrate changes in talent management strategies in the era of Artificial Intelligence (AI).

Table 1. Summary of Interview Findings

Aspect	Research Findings
Recruitment and Selection	AI accelerates the CV screening process using an *AI-driven Applicant Tracking System*, thereby reducing the duration of the initial selection stage by around 60 percent.
Talent Development	The focus of development is shifting towards AI literacy, adaptability, critical thinking and problem-solving.
The Role of HR	HR continues to play a vital role in assessing candidates' *cultural fit*, character, and soft skills.
Employee Resistance	Some employees experience 'AI anxiety' due to concerns about being replaced by automation.
Company Strategy	The company implements open communication, weekly upskilling programs, and organizational change support.

Source: Primary data processed by the researcher (2025).

Based on the table above, the transformation of talent management is characterized not only by the application of AI technology in the recruitment process, but also by a comprehensive shift in the paradigm of human resources management. The implementation of AI enhances the administrative efficiency of recruitment, whilst final decisions continue to take into account human judgment regarding character and organizational culture. These findings indicate that companies are adopting a ' *hybrid intelligence* approach, which combines the analytical capabilities of AI with the professional judgment of human resources practitioners.

The interview findings indicate that the use of AI has transformed the talent identification process. Before utilizing AI, the initial candidate screening process took around two to three weeks, as all CVs were reviewed manually. Following the implementation of *an AI-driven Applicant Tracking System*, the system can carry out automatic screening based on work experience, competencies, and suitability for the role. However, informants emphasizedemphasized that the technology is not yet capable of replacing assessments of character, communication skills, leadership, or cultural fit within the organizationorganization. Consequently, the final recruitment decision remains with the Human Resources team as a form of *human oversight*.

A transformation has taken place in the strategy for developing employee competencies. The company no longer focuses its training on mastery of specific software, but rather on the ability to adapt to developments in AI technology. Internal learning programs are held weekly, covering topics

such as AI literacy, the use of generative AI, data-driven problem-solving, and strengthening of critical thinking skills. This strategy reflects a shift in the focus of talent development from technical competencies towards *continuous learning*.

Table 2. Thematic Coding Matrix of Interview Findings

Interview Quotes	Initial Code	Category	Theme
CV Screening using AI	Automation of Selection	Recruitment Efficiency	Technology-Driven Recruitment
HR still assesses cultural fit	Human Oversight	Holistic Selection	Technology-Based Recruitment
Adaptability and AI literacy	New Competencies	Human Resource Development	Talent Upskilling
Fear of job loss	AI Anxiety	Resistance	Change Management
AI to Support Work	Organisational Communication	Change Management	Change Management

Source: Results of the researcher's manual coding (2025).

The table above shows that the analysis process yielded three major themes: technology-driven recruitment transformation, the need for new competencies through upskilling, and people-centered change management. These three themes are interrelated in explaining the talent management transformation process. Companies use AI as a tool to support efficiency while retaining the strategic role of Human Resources in developing people who meet the organization's needs. Field observations corroborate the interview findings. During the observation activities at PT Tekno Maju Indonesia, the researchers found that AI has become part of day-to-day work activities. In virtual meetings, AI is used to generate automatic transcripts, summarise discussions, and compile action lists in real time. This situation demonstrates that AI is no longer viewed as an additional technology, but rather as a work tool that supports organizational productivity.

Nevertheless, observations reveal variations in adaptability amongst staff. Younger employees tend to master various AI applications more quickly than their senior counterparts. Furthermore, informal discussions indicate that concerns remain regarding the automation of administrative tasks, particularly in customer support and data entry roles. The company is mindful of this situation and is therefore continuing to strengthen internal communication regarding the objectives of AI implementation.

Table 3. Field Observation Results

Observation Aspects	Findings
Meeting Activities	AI is used for speech-to-text and the automatic generation of meeting summaries.
Internal Training	AI literacy programs are held weekly with high participation.
Employee Adaptation	Junior staff adapt more quickly than senior staff.
Organisational Culture	Collaborative and open to digital innovation.
Barriers	There is still some 'AI anxiety' regarding job security.

Source: Researcher's observation notes (2025).

The findings in the table above show that the transformation of talent management is taking place not only in organizational policy but also in day-to-day working practices. The use of AI has improved the efficiency of communication and work coordination, whilst regular training has become the primary means of enhancing employees' competency readiness. On the other hand, differences in the level of adaptation amongst employees and the emergence of automation anxiety indicate that the success of the transformation depends not only on technology, but also on the organization's ability to manage change humanely and sustainably.

Discussion

The transformation of talent management in the era of Artificial Intelligence (AI) is a strategic shift characterized not only by the adoption of digital technology in human resource management processes, but also by a shift in organizational paradigms regarding the development of competencies, the fostering of an adaptive work culture, and the enhancement of human resource readiness to face technological disruption. The integration of AI has prompted organizations to adapt various talent management functions so that decision-making processes become more data-driven, efficient, and responsive to the dynamics of an ever-evolving business environment. Consequently, the successful implementation of AI depends not only on the readiness of the technological infrastructure but is also influenced by an organization's ability to manage change, develop employees' digital competencies, and foster a culture of innovation that supports the sustainable use of technology.

Based on the results of in-depth interviews, field observations, and thematic analysis conducted in this study, it was found that the use of AI has brought about changes at various stages of the talent management cycle. These changes are not only evident in the recruitment and selection processes which have become faster and more objective through the use of AI-based systems but also extend to skills development, career planning, the identification of employee potential, performance evaluation, and the management of organizational change. Nevertheless, the level of AI implementation across each talent management function still varies, depending on technological readiness, the quality of human resources, organizational culture, and the strategic policies adopted by the company. These conditions indicate that talent management transformation is a multidimensional process requiring the integration of technology, people, and organizational systems to generate sustainable added value.

The discussion in this study subsequently links various empirical findings to the theoretical frameworks used, specifically Talent Management Theory and the Resource-Based View (RBV). It compares them with the results of relevant previous research. This approach aims to gain a more comprehensive understanding of how the application of AI influences talent management transformation in technology companies in Indonesia, whilst identifying the factors that support or hinder the success of its implementation. Consequently, this discussion not only contributes to the development of theoretical research on talent management transformation in the AI era but also yields

practical implications that can serve as a reference for organizations in designing talent management strategies that are more adaptive, innovative, and oriented towards sustaining competitive advantage.

Artificial Intelligence-Based Recruitment Transformation

The research findings indicate that the implementation of an AI-driven Applicant Tracking System (ATS) is capable of enhancing the efficiency of the recruitment process through the automation of CV screening based on competencies, work experience, educational background, and the alignment of qualifications with job requirements. Based on interview findings, before the implementation of AI, the administrative screening process was carried out manually and took approximately two to three weeks; whereas, following the adoption of the AI-based system, the duration of the initial screening was reduced by around 60 percent, making the recruitment process faster, more objective, and more efficient. Nevertheless, the company continues to retain the role of Human Resources (HR) practitioners in the final evaluation stage to assess aspects that cannot yet be analyzed optimally by AI, such as *cultural fit*, communication skills, leadership, integrity, and the candidate's character. These findings indicate that AI serves as a decision-making aid, whilst assessments requiring human judgment remain the responsibility of HR practitioners; thus, the integration of technology and human expertise can result in a more effective recruitment process and improve the quality of talent selection in line with the organization's needs.

These findings indicate that AI functions as *a* decision support system, rather than a substitute for human decision-making. The model illustrates the application of hybrid intelligence, namely the collaboration between the analytical capabilities of technology and the professional judgment of HR personnel. These findings are consistent with research by Mir (2024), which states that AI brings significant efficiency to the recruitment process. However, final decisions still require human assessment of behavioral aspects and organizational values. The results of this study also reinforce the findings of Taslim et al. (2025), which emphasize the importance of *human oversight* in reducing the risk of algorithmic bias and maintaining the quality of decisions in talent management.

Competency Transformation through Upskilling and AI Literacy

Research findings indicate a shift in the focus of talent development from the mastery of hard skills towards strengthening adaptive competencies such as AI literacy, *critical thinking*, the ability to learn continuously (*learnability*), and creative problem-solving. The *upskilling* programs, which are delivered every week, demonstrate that companies recognize the changing competency requirements resulting from the rapid development of AI. Technical competencies are considered to be subject to change as technology evolves, whilst adaptability is seen as a more sustainable competency. This situation indicates that talent management transformation is no longer solely focused on improving technical skills, but also on preparing individuals to cope with changes in the digital workplace. The

findings of this study support the view of Tusquellas, Palau, and Santiago (2024), who state that AI drives organizations to develop personalized and continuous learning tailored to individual needs. Furthermore, this research is also in line with Tripathi (2025), who emphasizes that the successful implementation of AI depends heavily on organizations' investment in *reskilling* and *upskilling* programs to ensure the workforce can adapt to technological changes on an ongoing basis.

Change Management in Addressing AI Anxiety

One of the key findings of this study is the emergence of 'AI anxiety' that is, employees' anxiety about the possibility of their jobs being replaced by AI technology. These concerns are particularly prevalent in administrative and repetitive roles, such as *customer support* and *data entry*. However, companies are implementing transparent communication strategies, emphasizing that AI serves as a tool to enhance productivity, rather than to replace the workforce entirely. This approach is reinforced through regular training, guidance on AI usage, and the promotion of new career development opportunities. This strategy demonstrates that the success of digital transformation is determined not only by technological readiness but also by an organization's ability to manage the psychological aspects of its workforce. These findings support the research by Santoso, Efendi, and Nurwulandari (2024), which explains that the implementation of AI requires organizational cultural readiness and effective change communication. Furthermore, the results of this study reinforce the findings of Mir (2024), who states that resistance to AI can be minimized through a *human-centered change management* approach that places people at the heart of digital transformation.

The Implications of Talent Management Transformation for Technology Companies in Indonesia

Research findings indicate that the transformation of talent management in technology companies in Indonesia is leading to a shift towards a more adaptive, collaborative, and data-driven approach to human resource management. AI has become an integral part of day-to-day operational activities, ranging from recruitment processes and meeting documentation to the evaluation of work productivity. However, the success of this transformation is determined not only by technological sophistication but also by the organization's readiness to foster a culture of learning, enhance digital competencies, and maintain a balance between automation and human values. Consequently, companies need to develop talent management policies that integrate AI with skills development, adaptive leadership, and a change management system focused on employee wellbeing. The findings of this study expand upon the research by Linawati, Aswad, and Azis (2024), which stated that the implementation of talent management in Indonesia still requires strengthening in the areas of talent development and retention. This study also complements the research by Collings, McDonnell, and Scullion (2024), which emphasizes that future talent management must integrate digital technology

with human resource development strategies so that organizations can achieve a sustainable competitive advantage.

CONCLUSION

Based on the research findings, it can be concluded that talent management transformation in technology companies in Indonesia has undergone significant changes in line with the development of *artificial intelligence (AI*). The implementation of AI has had a positive impact on the efficiency of the recruitment process through the automation of candidate screening, thereby accelerating the selection process without undermining the strategic role of Human Resources in assessing *cultural fit* and *soft skills*. This demonstrates that effective talent management in the AI era employs a 'hybrid intelligence' approach, namely a collaboration between technological analytical capabilities and human professional judgment. Furthermore, companies have shifted the focus of human resource development from the mastery of technical skills towards enhancing AI literacy, critical thinking skills, adaptability, and continuous learning through regular *upskilling* programs.

This study found that the AI transformation gives rise to the challenge of 'AI anxiety' that is, employees' concerns about the possibility of their jobs being replaced by technology. However, this challenge can be minimized through transparent organizational communication, supportive leadership, and people-centered *change management* strategies. Consequently, the success of talent management transformation is determined not only by the level of AI technology adoption, but also by the organization's readiness to foster a culture of learning, strengthen digital competencies, manage change inclusively, and strike a balance between technological innovation and the development of human resource potential to support the company's sustainable competitive advantage.

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