The Effect Of Talent Management On Employee Engagement Through Career Development (Study at PT Pelabuhan Indonesia III)

Febri Andy Kurniawan¹, Sopiah¹, Lulu Nurul Istanti¹, Suwarni¹, Sarbini¹
¹Faculty of Economics, Universitas Negeri Malang, Indonesia
Sopiah.fe@um.ac.id

Keywords: Talent management, career development, employee engagement

Abstract: Objective - The purpose of this research is to examine the effect of talent management on employee engagement directly and indirectly through employee career development at PT Pelabuhan Indonesia III (PELINDO III) Head Office of Surabaya, Indonesia.

Design / Methodology / Approach - This research uses an instrument in term of questionnaire. Data were analyzed using path analysis. The population used in this research are permanent employees who work in the Directorate of Human Resources and General and Commercial and Operational Directorate at PELINDO III Surabaya Head Office which totals 101 employees. The sampling technique used is Proportionate Random Sampling.

Findings - Based on the results of path analysis, it can be found out that: talent management has a positive and significant effect on employee engagement directly and indirectly through employee career development at PT Pelabuhan Indonesia III (PELINDO III) Head Office of Surabaya Indonesia.

Limitations of research / implications - The research was conducted at the head office of PT Pelabuhan Indonesia III (PELINDO III), not reaching all branches spread over 7 provinces in Indonesia.

Authenticity / value - This research contributes to the development of a pool of knowledge that explains talent management, career development and employee engagement.

1 INTRODUCTION

The development of the growing era advancement makes all sectors of the economy to grow rapidly. It also makes the development of business dynamics and services develop rapidly which has effect on the increasingly fierce business competition. To overcome the competition, many companies began to organize complexly. Many companies have the view that the most important factor in achieving the competitive value of companies with competitors, one of them is through good management of human resources (HR) of the company. Company performance is determined by employees who work, because employees are active planners and actors in every activity run by the company which will become a determinant of high and low productivity company. To increase the productivity of the company in the face of business competition many companies implement strategies and efforts undertaken one of them by focusing on improving employee engagement as a way to improve company productivity.

Although there are many agreements on the impact of employee engagement, a clear consensus on the definition of engagement still does not exist (Whittington, et al, 2017: 2). However, according to Macey, et al. (2009: 7) employee engagement as an individual’s sense of purpose and focus, evidenced in others in the view of personal initiative, adaptability, effort, and perseverance leading to organizational goals. Employee engagement can provide a large profit / income for the company, because with high employee engagement companies will benefit more than companies with lower employee engagement. This is in accordance with the survey conducted by Towers Watson (2012) showing that employee engagement can affect the level of income earned by the company.

Employee engagement is one of the human resource issues that occurs in companies within the scope of the global scale. The boss or company management should be able to analyze the causes that decrease employee engagement in the company. If it is known what important factors affect employee engagement, then the company can take further steps to address employee engagement issues.
in the company. According to the Blessings White survey in Cook (2008: 60) employee engagement survey shows that career and talent management factors are very important for many people. Career development of the company is one important factor in improving employee engagement. The results of Albrecht (2012) showed that career development positively affects employee engagement. According to Riva (2004) career development is a process of enhancing individual work ability achieved in order to achieve the desired career. While by definition Niles and Bowlsbey in Arulmani, et al. (2014) that career development refers to the psychological and behavioral processes as well as the contextually influential ones that shape a person’s career over the life span.

Therefore, to develop the career of its employees, the company creates a career development program. Career development programs can be defined as systematic programs designed to facilitate individual career development in companies (Herr, et al., Arulmani, et al., 2014). Many companies today apply career development as an essential component of talent management. Talent management is a step from the company to find executive candidates to lead the company’s sustainability in the future. Due to the increasing difficulty of companies to find and retain talented employees, so the implementation of career development programs through talent management in the company is very important to be able to find the right people to occupy positions that are offered in the future (Irmawarti and Hamdani, 2014). According to Rampersad (2006) talent management is a way of managing talent in the organization effectively and the development of succession in the company, the realization of self-development of employees maximally and the utilization of talent optimally. Meanwhile, according to Armstrong (2008) interpreting talent management as a process of identifying, developing, recruiting, maintaining, and spreading talented people.

The Gallup organization defines employee engagement as an employee engaged in work, has an enthusiastic attitude, and is committed to their work and positively contributes to their company (Gallup in Whittington, et al., 2017). Employees who are not committed to work will tend to be absent from work at any given time. This is in accordance with Mathius & Jackson’s opinion in Arishanti (2007) stating that less committed employees will appear to withdraw from their organizations through absence and turn-over.

PT Pelabuhan Indonesia III (PELINDO III) is a State Owned Enterprise (BUMN) having business in the business of port terminal operator services. PELINDO III always strives to manage 43 public ports consisting of main branches, class I, II, III and seven regions of Indonesia Province: Central Kalimantan, South Kalimantan, Central Java, East Java, West Nusa Tenggara, East Nusa Tenggara, and Bali. Human resources have an important role for the company to achieve the goals of the company. Because there are several corporate missions one of them to make competent human resources, reliable performance, and noble character. From the interview conducted on Wednesday 25 October 2017 with four speakers from the Unit of Strategy and System of Human Resources at the Directorate of Human Resources and General at PELINDO III Surabaya Head Office, it can be concluded and known from three sources who argue that employees’ commitment in the company still varies. However, from several opinion sources also stated that there are employees whose commitment is still low in the company. Employee commitment to work is one of the characteristics of employee engagement.

Other supporting data that researchers got about the percentage of employees in attendance work are presented in Table 1 below.

<table>
<thead>
<tr>
<th>Month</th>
<th>Total Employee of Employee</th>
<th>Total Presence of Employee</th>
<th>Total Compulsory Absence of Employee</th>
<th>Total Absenteeism of Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>371</td>
<td>21</td>
<td>7.448</td>
<td>7.791</td>
</tr>
<tr>
<td>August</td>
<td>371</td>
<td>22</td>
<td>7.846</td>
<td>8.162</td>
</tr>
<tr>
<td>September</td>
<td>371</td>
<td>19</td>
<td>6.715</td>
<td>7.049</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Corporate Presentation Data from July-September 2017

Based on employee absenteeism data at Pelindo III Surabaya Head Office, it is found out the lack of employee discipline in the work indicating the lack of commitment of employees in work. According to Mudiartha (2001) the average absence of 2-3 percent per month can still be said good but if it exceeds 3 percent can be said the work discipline in the company is still not good. From the description of the above problems can be said that the level of employee engagement at PELINDO III Surabaya Head Office is still lacking. One of the factors that can increase employee engagement is career opportunities and talent management within the company. PELINDO III Surabaya Head Office itself has implemented career development as one component in the implementation of talent management as one of the strategies implemented by the company to find future executive candidates.

Implementation of talent management by
PELINDO III Surabaya Head Office includes, the initial stage of conducting competency mapping assessment to all employees in order to obtain an initial description of the competencies and potentials of each employee. Based on the results of the assessment employees will be grouped into different talent pool categories. The category of talent pool will determine individual employee development further and also direct career paths appropriate to the employee. Everything about the talent management system has been regulated by the Company in the PELINDO III Board of Directors Regulation Number PER.07/KP.0302/P.III-2015.

2 REVIEW OF LITERATURE AND HYPOTHESIS DEVELOPMENT

Dealing with the theory related to the effect of variables in this research, Cook and Rougette in Aaltio et al. (2017) states that talent management policy is intertwined with future employee career development. It can be said that the company implements talent management in addition to being used to explore talented employee potentials for key executives in the company. Talent management is also an effort of the company to facilitate the development of potential employee career in the long term. Adryanto (2016: 7) stated that “talented employee career development is indispensable by providing exciting and challenging tasks in accordance with the aspirations of employees, as well as opportunities to improve competence will improve employee engagement”. According to Morton in Hughes and Rog (2008) talent management is an integral part of employee engagement within the organization. Meanwhile, according to Glen (2006) argued that employee engagement is key in retaining talented employees. Can be concluded that talent management is a strategy of the company associated with employee engagement, employee engagement also become one part to retain potential employees in the company.

Cook (2008) stated that a fair career and talent management program can create significant employee engagement score for the organization. It can also be said that talent management and career opportunities in the company fairly for employees will be able to increase employee engagement in the company. The theory is also supported by Turner’s (2018) opinion that career development and professional development play a role in employee engagement, talent management will be able to support the process and career system in accordance with the achievement of organizational goals and as a driver of employee engagement with beneficial effects on both. Based on the theory described, it can be developed conceptual model in this research, related to talent management variables, career development, and employee engagement can be seen in Figure 1.

![Conceptual Model and Hypothesis](image)

Figure 1 Conceptual Model and Hypothesis

2.1 Talent Management and Career Development

A study by Agarwala (2008) suggests that the skills, competencies, and abilities that are part of the human capital concept have a positive and significant influence on an individual’s career selection in India. Claussen, et al. (2014) in a study with a total of 10,150 respondents who showed results that there were implications for individual career development and talent management programs in promotional decisions. It can be said that talent management has a relationship to individual career development that influences the promotion. The results of Irmawati and Hamdani (2014) also concluded that talent management variables positively and significantly affect the career development of employees.

The above explanation leads to the following hypothesis:

H1, Talent management has a positive and significant effect on career development at PELINDO III Surabaya Head Office.

2.2 Career development and employee engagement

The results of Zulfa’s (2014) study showed that competency and qualification assessment simultaneously effectively increased employee engagement and partially only the competence assessment variable that effectively increased employee engagement. Zhang, et al. (2015) and Kim, et al. (2016) the results of research conducted found that professional development and job rotation which is one aspect of career development, has a positive influence on employee engagement on health business in China and South Korea. In line with previous research, Wulandari and Yuniawan
(2017) studies have shown that career development variables positively affect employee engagement.

The above explanation leads to the following hypothesis:

H2. Career development has a positive and significant effect on employee engagement at PELINDO III Surabaya Head Office.

2.3 Talent management and employee engagement

The results of Bhatnagar (2007) study that talent management positively affects employee engagement on employees who work over 16 months in the ITES Sector in India. Sweem (2009) in a three-year field study showed that talent management is an organizational development strategy that can improve employee engagement. Sadeli (2012) in his research conducted on 26 companies in various business sectors in Indonesia, the results show the practice of talent management positively affect employee engagement.

In line with the above research Alias, et al. (2014) in his research shows that talent management has a positive and significant impact on employee engagement. This shows that the influence of talent management on employee engagement.

The above explanation leads to the following hypothesis:

H3. Talent management has a positive and significant effect on employee engagement at PELINDO III Surabaya Head Office.

2.4 Talent management, employee engagement, and career development

Mtshali research (2014) shows that the application of good talent management in the company will affect the career development of employees. In addition, research conducted Satya (2011) obtained the result that effective career development practices to improve employee engagement on the job. Albrecht’s research (2012) shows that career development and sub-component job resources have a positive effect on employee engagement. This means that company support in employee career development can increase employee engagement within the company.

From the results of the above explanation, the researchers concluded that talent management variables have a positive effect on career development. Furthermore, career development has a positive and significant impact on employee engagement.

The above explanation leads to the following hypothesis:

H4. There is a positive indirect effect of talent management on employee engagement through career development at PELINDO III Surabaya Head Office.

3 RESEARCH METHODOLOGY

3.1 Research design and samples

The approach used is quantitative research approach to try answering the problem formulation using some concepts and theories so that it can formulate research hypothesis, measure population or sample used, and analyze quantitative data. This research also included in explanatory research type in this research will be collecting data used to be able to explain causal relationship between causal variables through hypothesis testing that has been determined so that can be drawn conclusion in this research. Data analysis technique using path analysis technique, because in this research will be used relationship model that occur between variables (see Figure 1).

In this research the population used are employees who are permanent employees at Pelindo III Surabaya Head Office at the Directorate of Human Resources and General, and Operations and Business Development with the number of 101 employees. Selection of the two directorates as the population in the research. To determine the sample is by using Proportionate Random Sampling. Determination of samples used Slovin formula to obtain the number of samples of 81 employees.

3.2 Measurement

The instruments of this research is a questionnaire that has some statements that must be answered by the respondent, the questionnaire used to collect information about the perception of respondents related to the variables in the study. Questionnaires used in this research is a closed questionnaire type, which has been set alternative answers so that the respondents live answer the answers that have been available. Researchers also use attitude scale that is Likert Scale, Sugiyono (2011: 93).

The measurement of talent management variables adopting indicators developed by Sweem (2009) includes: 1) communication, 2) employee development, 3) rewards and recognition, 4) managing performance, and 5) open climate with the
number of 10 statements in the research questionnaire. The career development variables adopted indicators developed by Filippo in Wulandari and Yuniawan (2017) include: 1) estimating career needs, 2) career opportunities, and 3) adjusting needs and career opportunities with 9 statements in the research questionnaire. Employee engagement variables adopt indicators developed by the Gallup Work Place Audit in Bhatnagar (2007) include: 1) what do i get ?, 2) what do i give ?, 3) do i belong here, and 4) how can we all grow? with a total of 12 statements on the research questionnaire. Instrument validity test is used to measure the validity and validity of a research instrument. The results of the validity test (see Table 1).

An instrument gauge is called reliable, if the tool can measure everything at different times, showing relatively similar results. Reliability measurement can be done with Cronbach's Alpha coefficient (Ghozali, 2006), using the help of SPSS 24 application with criterion of reliability coefficient ≥ 0.6 can be stated the research instrument is reliable. The variable is said to be reliable, the result of Cronbach’s Alpha value on each variable having a value greater than 0.6 (see Table 2).

Table 2: The Result of Research Instrument Validity

<table>
<thead>
<tr>
<th>Item Number</th>
<th>Correlation Coefficient (Pearson Correlation)</th>
<th>Correlation Probability (sig.(2-tailed))</th>
<th>Explanation</th>
<th>Item Number</th>
<th>Variable</th>
<th>Cronbach's Alpha</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.865</td>
<td>0.000</td>
<td>Valid</td>
<td>23</td>
<td>0.803</td>
<td>0.000</td>
<td>Valid</td>
</tr>
<tr>
<td>2</td>
<td>0.817</td>
<td>0.000</td>
<td>Valid</td>
<td>24</td>
<td>0.749</td>
<td>0.000</td>
<td>Valid</td>
</tr>
<tr>
<td>3</td>
<td>0.710</td>
<td>0.000</td>
<td>Valid</td>
<td>25</td>
<td>0.752</td>
<td>0.000</td>
<td>Valid</td>
</tr>
<tr>
<td>4</td>
<td>0.806</td>
<td>0.000</td>
<td>Valid</td>
<td>26</td>
<td>0.814</td>
<td>0.000</td>
<td>Valid</td>
</tr>
<tr>
<td>5</td>
<td>0.617</td>
<td>0.000</td>
<td>Valid</td>
<td>27</td>
<td>0.600</td>
<td>0.000</td>
<td>Valid</td>
</tr>
<tr>
<td>6</td>
<td>0.713</td>
<td>0.000</td>
<td>Valid</td>
<td>28</td>
<td>0.726</td>
<td>0.000</td>
<td>Valid</td>
</tr>
<tr>
<td>7</td>
<td>0.776</td>
<td>0.000</td>
<td>Valid</td>
<td>29</td>
<td>0.627</td>
<td>0.000</td>
<td>Valid</td>
</tr>
<tr>
<td>8</td>
<td>0.788</td>
<td>0.000</td>
<td>Valid</td>
<td>30</td>
<td>0.733</td>
<td>0.000</td>
<td>Valid</td>
</tr>
<tr>
<td>9</td>
<td>0.765</td>
<td>0.000</td>
<td>Valid</td>
<td>31</td>
<td>0.728</td>
<td>0.000</td>
<td>Valid</td>
</tr>
</tbody>
</table>

Table 3: The Result of Variable Reliability Test

<table>
<thead>
<tr>
<th>Item Number</th>
<th>Variable</th>
<th>Cronbach's Alpha</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Talent Management</td>
<td>0.916</td>
<td>Reliable</td>
</tr>
<tr>
<td>2</td>
<td>Career Development</td>
<td>0.903</td>
<td>Reliable</td>
</tr>
<tr>
<td>3</td>
<td>Employee Engagement</td>
<td>0.900</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

3.3 Hypothesis testing

All hypotheses proposed in this study will be tested using path analysis. Ridwan and Kuncoro (2011) stated that the path analysis is used in analyzing the pattern of a relationship between variables with the aim to determine the direct or indirect effects of an independent variable to the dependent variable. Before performing the path analysis, the researchers tested the classical assumptions. The classical assumption test is used to test that there is no bias on the estimator value in the model used in the research.

4 RESEARCH RESULT AND DISCUSSION

4.1 Path analysis

The results of this path analysis have passed the classical assumption test i.e. normality test with P plot, and heteroscedasticity test with scatterplot test. So the variable in the research is feasible to be used in the regression model on path analysis.

4.2 Direct influence

Based on the measurement of path analysis which has been done by the researcher to see the effect
directly between the variables, it can be seen in Table 3 and Table 4, as the following.

Table 4: Direct effect of talent management on career development

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>9,464</td>
<td>3,089</td>
<td>3,063</td>
<td>0,003</td>
</tr>
<tr>
<td>Talent Managem</td>
<td>t,647</td>
<td>0,080</td>
<td>0,675</td>
<td>8,131</td>
</tr>
</tbody>
</table>

R Square = .456
Dependent Variable: Career Development

Based on the table above, it can be noticed that the relationship of talent management to the career development of PELINDO III employees Surabaya Head Office, has a positive beta coefficient value of 0.675 which has been standardized. From the table above can be seen the sig value talent management 0.000 < 0.05. Thus the hypothesis that talent management has a positive and significant influence on career development is acceptable.

Based on the result of regression equation above, it can be concluded that beta coefficient of talent management variable can explain career development variable is 0.675. Next result of coefficient of determination or R Square (R2) is 0.456 which mean that influence of talent management to career development is 45.6%. While the remaining 54.4% affected by factors outside this regression model such as expertise, emotional intelligence, and self-actualization.

Table 5: Direct effect of talent management on employee engagement through career development

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>13, 455</td>
<td>3,027</td>
<td>4,46</td>
<td>0,00</td>
</tr>
<tr>
<td>Talent Manage</td>
<td>t,547</td>
<td>0,100</td>
<td>5,481</td>
<td>0,000</td>
</tr>
<tr>
<td>Career Develop</td>
<td>t,33</td>
<td>0,104</td>
<td>3,256</td>
<td>0,020</td>
</tr>
</tbody>
</table>

R Square = .604
Dependent Variable: Employee Engagement

The results of data analysis (see Table 4) can be explained that the value of talent management sig variable 0.000 < 0.05 and can be seen in the table the value of positive beta of 0.529. Thus it can be interpreted the hypothesis that talent management has a positive and significant effect on employee engagement acceptable. Next on career development variables show the value of sig 0.002 < 0.05 and positive beta value of 0.314 so the hypothesis stating that career development has a positive and significant effect on employee engagement is also acceptable. Based on the above regression equation yielding the translation of data as following.

a. The beta coefficient of talent management variable can explain employee engagement variable of 0.529.
b. The beta coefficient of career development variables can explain the employee engagement variable of 0.314.
The result of coefficient of determination of R Square (R2) is 0.604, hence it can be interpreted that the effect of talent management variable and career development variable on employee engagement is 60.4%. In other words the remaining 39.6% is affected by factors outside the model such as procedural justice and ethical leadership.

### 4.3 Indirect effect

Path analysis test was carried out to determine the indirect effect of talent management on employee engagement through career development, then obtained the results as, following.

\[ PTL = P_{xz} \times P_{zy} \]

Description:
PTL: Indirect Effect
Pxz: The Effect of Talent Management on Career Development
Pzy: The Effect of Career Development on Employee Engagement

Therefore:
PTL = 0.675 × 0.314
PTL = 0.212

Based on the above calculation, the indirect effect can be known as 0.212. This can be interpreted as a career intervening variable, where talent management has an indirect effect on employee engagement through career development.

### 4.4 The coefficient of total determination

The results obtained from the validity test model using the method of total determination coefficient with the value as follows.

\[
\begin{align*}
R_m^2 &= 1 - P_{x^2} P_{z^2} \\
R_m^2 &= 1 - 0.737^2 (0.629)^2 \\
R_m^2 &= 1 - 0.543 (0.396) \\
R_m^2 &= 1 - 0.200 = 0.800
\end{align*}
\]

The results of the calculations show the diversity of data on the model is 0.800 in other words the information contained in the data of 80% which can be explained by the model. While the remaining 20% can be explained by other variables such as quality of leadership, organizational commitment, and career expectations.

### 4.5 Conclusion of path analysis results

The explanation of the results of the analysis that has been done by the researcher shows that:

- H1: Talent management has a positive and significant effect on career development. The hypothesis is accepted because the result of positive beta coefficient 0.675 with significance value 0.000 < 0.05 can be proved that talent management variable (X) directly have positive and significant effect to career development (Z).
- H2: Career development has a positive and significant effect on employee engagement. The hypothesis is received because it sees the result of positive beta coefficient 0.314 with a significance value of 0.002 < 0.05. Thus it can be proved that career development variables (Z) directly have a positive and significant effect on employee engagement (Y).
- H3: Talent management has a positive and significant effect on employee engagement. The hypothesis is accepted because the result of positive beta coefficient is 0.529 with significance value 0.000 < 0.05. Thus it can be proved that talent management variable (X) directly has a positive and significant effect on employee engagement (Y).
- H4: Talent management indirectly positively affects employee engagement through career development. The hypothesis is accepted as seen from positive beta coefficient of 0.212.

Based on the test conducted by researchers there is the effect of talent management on employee engagement either directly or indirectly that is through career development. The following can be explained in the summary of hypothesis testing presented by the researcher (see Table 5).

Table 6: Direct, indirect, and total effects of path analysis of the research

<table>
<thead>
<tr>
<th>Path Framework</th>
<th>Direct</th>
<th>Indirect</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Talent management on career development</td>
<td>0.675</td>
<td>-</td>
<td>0.675</td>
</tr>
</tbody>
</table>
The table above shows that talent management variable (X) has an effect on employee engagement (Y) directly with the value of β coefficient standardized as 0.529. Talent management (X) has an effect not directly on employee engagement (Y) through career development (Z) with β coefficient of 0.212 with a total effect of 0.741 (see Figure 2).

**Figure 2. Relationship Pattern between variables**

Note: e = effect of error, Sig = value of significance, β1 = beta value of talent management on career development, β2 = beta value of talent management on employee engagement, β3 = beta value of career development on employee engagement, = partial relationship, and = influence indirect.

Noticing the effect relationship between variables in this study, it can be concluded that there is a direct positive influence and significant talent management to the career development of PELINDO III employees of Surabaya Head Office. It can be concluded that the more effective talent management program will make the better career development of employees PELINDO III Surabaya Head Office.

The result of this research shows that PELINDO III Surabaya Head Office has applied talent management well. The company has given encouragement to every employee of the company to be able to complete their work more innovative in accordance with the way the employees themselves, so that later can be seen the potential that will come out of the employee. It will make employees have an opportunity on the development of his career for the future in the company. Noticed from the results of this study, it can be said that the theory put forward by Cook and Rougette in Aaltio et al. (2017) who stated that talent management policy is intertwined with future career development, it is acceptable because it is in line with the results of the research.

Talent management besides being used to look for potential employees within the company also used by the company to facilitate employees in an effort to develop the career of potential employees in the long run. The company’s support in talent management program is very important to provide effective success of the program. It should also be supported by company executives in realizing talent management program. Giving the space given the leadership in issuing the potential of employees by giving the impetus to be more innovative in completing the work will make the potential of the employee out so that it can support the direction of career development employees themselves.

The results of this study supported by the results of research conducted by Agarwala (2008) showed that the skills, competencies, and abilities that are part of the concept of human capital have a positive and significant effect on the selection of an individual's career. In accordance with research conducted by Claussen, et al. (2014) indicating that
there are implications for individual career development and talent management programs in employee promotion decisions. In addition, research on talent management also conducted by Irmawati and Hamdani (2014) also concluded that talent management variables have a positive and significant impact on employee career development. H1 that has been proposed in this study is acceptable because it has been in accordance with the theory and the results of previous research that has been done.

4.6.2 The effect of career development on employee engagement

Based on the results of data analysis conducted by the researcher, it can be seen that there is a direct positive effect and significant career development towards employee engagement at PELINDO III Surabaya Head Office. It can be interpreted that the better career development will increase employee engagement at Pelindo III Surabaya Head Office.

The results of this study indicate that the career development of PELINDO III employees Surabaya Head Office has done the company well. The company has provided employee training and development facilities to assist employees in improving their work skills. This will make the level of employee engagement increases because they feel the company is always watching them. Based on the results of the research, it can be said that Adryanto’s (2016: 7) theory suggests that “talented employee career development is indispensable by providing exciting and challenging tasks in accordance with the aspirations of employees, as well as opportunities to improve competence will improve employee engagement”. In addition to training and employee development to improve their competence, the provision of interesting and challenging tasks can provide an improvement in employee engagement. Employee engagement itself has a basic principle as proposed by Macey, et al. (2009) one of them is the capacity to engage, engagement requires a working environment that not only demands more but also provides various information, learning opportunities, and foster balance in human life. Thus creating the basis for sustainable energy as well as personal initiative.

The results of this study are also supported by the research conducted by Zulfi (2014) indicating that the assessment of competence and qualification simultaneously effectively improve employee engagement and partially only the competence assessment variable of career development that effectively increase employee engagement. In line with Zulfi’s research, the research that Zhang has done, et al. (2015) and Kim, et al. (2016) found that professional development and job rotation, which is one aspect of career development, has a positive effect on employee engagement on health business in China and South Korea.

In addition, Wulandari and Yuniawan (2017) studies show that career development variables positively affect employee engagement. Thus it can be said that career development has an effect on employee engagement.

4.6.3 The effect of talent management on employee engagement

From the results of data analysis that has been described, it can be found out that there is a direct positive effect of significant talent management on employee engagement at Pelindo III Surabaya Head Office. It shows that effective talent management program will increase employee engagement at Pelindo III Surabaya Head Office.

The results prove that the talent management program implemented by PELINDO III Surabaya Head Office has been effective. The talent management program deals with the company’s goal of providing opportunities for employees to grow. This is what makes employees have a sense of attachment to the company they work because the support of employee development to dig deeper their potential, always get support from the company. So indirect impulse psychic and emotional in employees in their commitment to do work at the highest level of performance will emerge.

Based on the results of this study, it can be said that the theory put forward by Morton in Hughes and Rog (2008) that talent management is an integral part of the employee’s attachment within the organization, is acceptable because it is in line with the results of the research. The results of this study differ from the opinion of Glen (2006) which states that employee engagement is the key in retaining talented employees.

The results of this study are also supported by the research conducted by Bhatnagar (2007) which states that talent management positively affects employee engagement. Research on talent management variables and employee engagement has also been done by Sweem (2009) whose research results show that talent management as an organization development strategy that can increase employee engagement. The research conducted by Sadeli (2012) shows that the practice of talent management positively affect employee engagement. And research conducted by Alias, et al. (2014) shows that talent management also positively and significantly affects employee engagement. Based on the results of research and supported by
previous theories and research that has been done, then the H3 proposed in this study can be accepted.

4.6.4 The indirect effect of talent management on employee engagement through career development

From the results of previous data analysis, it can be seen that there is indirect positive effect of talent management on employee engagement through career development at Pelindo III Surabaya Head Office. The results of the analysis of research data indicate that talent management and career development becomes one of the factors affecting employee engagement at Pelindo III Surabaya Head Office.

Employee engagement can be affected by several factors, one of which is the talent management program implemented by the company. Talent management affects employee engagement because talent management programs supported by companies that are applied and earmarked for all employees in the company will open opportunities for employees in career development they have, so that with the career development opportunities make employees feel attached to the company and it will making the level of employee engagement within the company increases.

Increased employee engagement within the company will make the company’s level of productivity increase through employees who work with the best performance in the company. Noticed from the results of this research, it can be said that the theory proposed by Cook (2008) that a fair career program and talent management can make the addition of employee engagement score significant for the organization. In addition, in the opinion of Turner (2018) states that career development and professional development play a role in employee engagement, talent management will be able to support the process and career system in accordance with the achievement of organizational goals and as a driver of employee engagement with beneficial effects in both, acceptable because it has been in line with the results of research.

The results of this study supporting previous research conducted by Mshali (2014) show that the effective application of talent management in the company will affect the career development of employees. In addition, research conducted by Satya (2011) obtained the result that effective career development practices to improve employee engagement on the job. In line with Satya research results, research conducted by Albrecht (2012) shows that career development and sub-component job resources have a positive and significant impact on employee engagement. H4 that has been proposed in this study is acceptable because it is in accordance with the theory and previous research ever done.

4.6.5 Practical implications

The management of PELINDO III Surabaya Head Office should pay more attention to the talent management program that is applied in order to become better. Particularly in giving attention to high potential employees by rewarding nonfinancial and recognizing the skills that employees possess such as providing interesting and challenging tasks, and granting more responsibility for the work they undertake. This will make employees have an incentive to further improve their competence.

Companies also need to pay attention to the provision of clear information regarding their employee career plans, although there are some documents that can not be detailed to the employee. However, the management can provide information related to the fulfillment of the terms and conditions of the position of certain positions to employees. It will help employees to find out how their future career with the certainty of a career that exist in the company, of course, employees will have a boost in itself to better achievers and attached to the company.

In addition, the management needs to give more attention related to the provision of recognition and praise periodically to employees for the achievement of work achieved, the advice is given especially to the leadership as employers at employers. Leaders must be able to understand every employee, give praise and recognition objectively for the results that employees have achieved on a regular basis. It will make the employees get a boost in him either psychologically or emotionally to do his job at the best level in order to contribute in improving the productivity of the company.

4.6.6 Limitations

PT Pelabuhan Indonesia III (PELINDO III) is a State Owned Enterprise (BUMN) having business in the business of port terminal operator services. The study was conducted only at the head office in Surabaya (Indonesia) which manages 43 public ports, consisting of main branches, class I, II, III and seven regions of Indonesia Province; Central Kalimantan, South Kalimantan, Central Java, East Java, West Nusa Tenggara, East Nusa Tenggara and Bali. This research does not reach all branch offices in 7 provinces in Indonesia.
5 CONCLUSIONS

The purpose of this research is developing and testing the conceptual model of employee engagement using four approaches. First based on the theory of talent management has an effect on career development, secondly based on career development theory have an effect on employee engagement, thirdly based on related theory about talent management directly influence to employee engagement, last is indirect effect of talent management on employee engagement through career development. Creation of a conceptual model for the direct and indirect relationship between talent management variables, career development, and employee engagement.

The results showed that there is a positive direct and significant influence talent management on career development, career development has a direct positive and significant effect on employee engagement, talent management has a direct positive and significant effect on employee engagement. there is a positive effect of talent management on employee engagement through career development.

REFERENCES


