

TALENT MANAGEMENT AND EMPLOYEE RETENTION WITH ORGANIZATIONAL TRUST AS MEDIATING IN INSURANCE INDUSTRY

Refan¹, Galuh Syailendra², Suciratin³, Anita Maharani⁴, Dewi Tamara⁵

^{1,2,3,4,5} Business Management Program, Management Department, BINUS Business School, Bina Nusantara University, Jakarta, Indonesia, 11480

Corresponding Author: dtamara@binus.edu

ABSTRACT

This study aims to analyse the effect of talent management by mediating organisational trust on employee retention in Indonesian's insurance industry. The data were collected using a survey for employees in five Insurance Companies: FWD Life Indonesia, Allianz Life Indonesia, AXA Mandiri Financial Services, Prudential Life Assurance, and Sun Life Financial Indonesia. From total employees (N = 4611) of five insurance companies, we decided to survey 324 employees. The independent variable is talent management, organizational trust is mediating and employee retention as the dependent variable, analysed by regression, using SPSS version 25. The results reveal that talent management is significantly positive, affected employee retention. The organizational trust as a mediating variable from talent management to employee retention is also positive and significant. The effect of talent management on employee retention becomes even more significant when mediated by organizational trust.

Keywords

Talent Management, Employee Retention, Organizational Trust, Insurance Industry

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Introduction

The employee turnover has been a problem for the Human Capital Management (HCM) team in the company. Michael Page Indonesian Employee Intentions Report in 2015 noted that almost three-quarters of respondents think they will change their work in the next 12 months of their employment. On top of that, the insurance industry showed a high turnover employee comparing to another financial service (Willis Tower Watson, 2019). It is a challenge because the insurance industry experienced significant growth. Indonesian Life Insurance Association (AAJI) in the 4th Quarter of 2017, said that the increase is 21.7%, higher than the year 2016. The growth came from the growing number of the company, from 55 companies in 2016 to 61 in 2017, and to increase in income gross life insurance premiums.

A high turnover employee ratio would give a negative impact on insurance company because it increased the recruitment cost, lessen the competitiveness, decreased work productivity, to a reduced brand image of the company. To overcome these conditions, the company should have proper retention management. Organisational trust is also essential in the insurance company

because a common practice in this type of industry is using the agent-based contract to selling activity and retaining its customers.

This study investigates the perceptions of employees of the insurance company on talent management practices, how it affects employee retention and how is the role of organisational trust. This paper contributes to the body of knowledge in a sense that proposes corporate trust as a mediating variable from talent management to employee retention. Second, the context of the insurance industry, this study is beneficial for human capital to improve the role of the organisation to retain talented employees. Finally, this study elaborates the talent management dimension from Isfahani and Boustani (2014), organisational trust dimension from Pirson & Malhotra (2010) and the employee retention dimension from Bhatnagar (2007).

Talent Management

Companies that use talent management as one of the strategies for managing human capital try to make the best possible linking the search, engagement, selection, training, development, maintenance, promotion and transfer of employees to be related to the company's main

business. When organisations are looking to attract and retain talented individuals, they must manage employee's talent. Any kinds of strategy and practice of talent management will bring valuable impact to employee retention (Tiwari et al, 2013).

The purpose and importance of talent management today is due to several factors. First, talent management can help understand today's talent pool better. Knowing about the current talent pool and future shortcomings can help companies focus their recruitment efforts and align the company's goals around the talent they have. Talent management will enable companies to utilise their human capital better. Second, talent management can also increase an organisation's competitive advantage. Because organisations can make sure top talent wants to work for them, not competing companies, they can choose the best team. Continual focus on training is also essential to ensure the long-term benefits of talent. If employees notice that organisations invest in their employees and are leaders in the industry, it can guarantee talented employees do not look for work opportunities elsewhere. Third, with the help of talent management, organisations can overcome many difficulties in employee recruitment and retention. Different practices can guarantee that organisations offer sufficient opportunities for progress, provide the types of benefits desired by talented individuals and ensure the right fit for the organisation employed. With increasing knowledge about current talents, future talents and company needs, the recruitment process will be more focused, faster and more efficient (Martin, 2016).

A high level of talent will lead to a high level of organisational flexibility, productivity, and profit. Scullion & Collings (2011) presents the results of research conducted by McKinsey & Company on a survey of more than 120 companies with 12,000 executives and 27 leading companies. The study shows that managing talent well will lead to excellent company performance. Wellins (2010) stated that there are seven key components to produce effective talent management, namely: (1) business strategy, (2) talent gap, (3) recruitment and promotion, (4) objectives, (5) performance, (6)) focus, and (7) feedback. By having a group of employees who are ready to become successors in the talent pool, the company only needs to match the timing of the change in position. When

that time comes, the prospective successors will have no difficulty adapting to their new posts. It will impact on the performance of the companies they lead.

Phillips & Phillips (2015) conveyed several reasons why talent management is essential in an organisation and why talent management is crucial include: (1) Talented employees can increase market value; (2) The company will not succeed without talented employees because they will execute ideas in the business; (3) Talented employees are a source of competitive advantage; (4) A pleasant work environment will attract and retain employees; (5) The majority of companies are successful because they have talented employees; (6) High employee turnover costs. According to Bhatnagar in Yoan et al. (2015), employee retention will decrease when it does not match the implementation of talent management in a well-managed company.

The success of any company retention management depends on the HCM strategy implemented to ensure they retain talented employees. The challenges faced by HCM and managers today are getting employees to continue to be involved in company activities and also guaranteeing the interest of talented employees to join the company and retention of talented employees within the company (Kigo & Gachunga, 2016). Fatima (2011) revealed in his research that the size of employee retention would influence the performance and performance of the company in its efforts to achieve the company's goals or mission. If employee retention is weak, employee turnover will increase and hurt performance and also the effectiveness of the company. This phenomenon also happens in insurance companies where maintaining employee level retention is believed to affect the efficiency and performance of a company, because with high employee retention, thus employee turnover in a company is low (Yurika, 2011). From all the above opinions, we can conclude that employee retention is the biggest challenge faced by HCM in the modern and digital economy, especially in the Insurance industry. Retention of employees for a certain period in an organisation is a significant challenge facing public and private corporations, including the insurance industry.

In assessing the efficacy of talent management as a retention technique, fairness regarding performance, practices, and experiences in the

talent management process along with perceptual congruity regarding talent status is influential (Narayanan, Rajithakumar and Menon, 2018). For this reason, the role of HCM in a good insurance company is one of the success factors of an organisation. HCM in insurance companies must have the ability to manage the needs of employees, as the main key in the company. Attracting talented employees in the era of rapid technological advancement into the company, then retaining, and ensuring their loyalty to the company is considered an essential point for HCM Insurance companies. Employees who are currently dominated by millennials have higher expectations for advancement opportunities in their careers. Hauw and Vos (2010) find that millennial's trust and need to achieve their goals are more elevated, they are more likely to look for career advancement opportunities in an organisation. That's why they prefer a corporate environment where they can develop themselves, study continuously and where their ideas are supported and encouraged. For this reason, HCM Insurance companies need a mechanism that is well prepared to manage the talents of each employee, which is usually known as talent management.

Managing talented employees is one of the critical capabilities that must be owned by the company to be able to compete in the future. In Sweden, two consulting companies in 2012 conducted a survey. It covers 40% human resource managers, 30% professional human resources and 30%-line managers. The study revealed that only 16% of the total respondents were satisfied with their current talent management and agreed that more funds should be placed.

Also, only 24% responded that as an organisation, they have a talent management strategy that links processes between essential human resources such as recruitment, onboarding and performance evaluation. More than half of the respondents agreed that talent management is one of the most important issues at present, while 81% think it will be a problem that develops in the future. At the same time, only 33% believe that their organisation has reached an agreement on what talent management is, and only 23% have a clear definition of "talent" in their organisation. We can conclude that talent management is an essential factor and vital role in the process of employee

retention in a company. Talent management is critical for future development.

Phenomena and conditions regarding employee retention and talent management also occur in the Insurance Industry. The current labour demand in the insurance industry has become a bit more complicated because several insurance companies have carried out their operations digitally. If the insurance company HC only concentrates on traditional aspects such as compensation and career paths and does not pay attention to training efforts and invest a lot in employee development, that is certainly not enough. Piansoongnern et al. (2011) conducted a study on the implementation of talent management strategies, and employee involvement carried out in three leading companies in Thailand. This study concludes that through proper talent management planning, positive support from management, organisational unity, work balance and routine activities, as well as environmental and other regulatory factors are essential factors that can make talented staff stay in the organisation. Tiwari et al. (2013) also researched the strategy and implementation of talent management and its impact on employee retention and the effectiveness of its application. This study reveals that the length of service of employees is not determined based on employee satisfaction but employee experience while working in the company that affects employee satisfaction with talent management practices by the company. The method of talent management influenced other factors both inside and outside the company that will affect the experience of employees in carrying out the practice of talent management in the company itself.

In Indonesia, the practise of Talent Management has also begun to be carried out by several companies, including insurance companies. Rudi Manik (2019) Chief of Human Resources Officer of PT. FWD Life Indonesia (2019) who also has experience as Chief of Human Resources at AXA Financial, said that the implementation of talent management in Indonesia, especially in the Insurance Industry, has begun but is still not structured. HCM has already started to focus on one of the activities or elements in talent management, for example, training (training) or career management. So that in this case talent management has begun to exert influence on companies, especially on employee retention. Whereas Wihartini Dewi, Performance &

Rewards Management Head at a Life Insurance company said in an interview with SWA magazine (2017) that currently the talent management practices at her company are carried out by developing leaders from within through the talent pool process. The need for this talent pool continued with the Talent & Development program since 2016 for middle-level management. Since then, the insurance company where he works regularly holds a Leadership Enhancement and Acceleration Program (LEAP) to develop talents that have the potential to become the next prospective leaders. In the end, this all leads to the conclusion that insurance companies have begun to realise several insurance companies in Indonesia have also taken talent management and its influence, the first step in adopting talent management.

H1. Talent management has a significant influence on employee retention in the insurance industry

Oladapo (2014) in the results of his research on conducted to HC department managers, HC specialists, managers and company directors in the United States concluded that growth opportunities, the certainty of employment status and compensation were three reasons for respondents to leave the organisation in order. The fact found is that benefit is not the most critical factor that causes employees to go the company but the proposition that an effective talent management program can be an opportunity to increase employee retention strategies that are adequate. The results of this study prove that other factors are more important than the compensation that the organisation must focus on to reduce employee turnover. Altrnaz et al. (2013) consider the effect of talent management on organisational trust in Ankara and reveal that changing the perception of middle and senior company executives about talent management will positively have a positive impact on confidence in organisations.

The intense competition in the industry will lead to a talent war. Leading employees will continue to be contested not only by companies in similar industries but also across sectors. The transfer of leading employees is unavoidable. The company should be able to maintain its superior employees to other companies or competitors. Isfahani &

Boustani (2014) concluded that Talent Management could propose an attractive approach to dealing with the impending labour crisis and is an active policy to improve the positioning of an organisation as well as branding a company. Awareness of the importance of retaining talented employees has become one of the essential things that must be taken seriously by HC companies. The presence of Talent Management in the company should encourage the best employees to contribute to the company to face increasingly competitive business developments. It becomes an essential part for HC companies to start thinking about Talent Management solutions to carry out as an integrated solution between one dimension and another or stand-alone. It is at this stage that HC companies should implement the Talent Management dimension that gives a positive influence on talented employees so that they can finally survive and provide the best abilities for the company.

For this reason, this research should provide a recommendation on whether Talent Management influences Employee Retention either directly or if through Organizational Trust. Because if talent management is considered influential on employee retention, employee retention will increase as well as, if talent management implemented.

One factor that has an influence on talent management on employee retention is organisational trust. Mediation of the organisation's trust in management's influence on employee retention is what researchers want to explore further with insurance companies in Indonesia. Deloitte (2012) said that the company who utilised talents and abilities effectively would make employees loyal and committed, and the other way around.

H2. Talent management has a significant influence on Organisational trust in the insurance industry

Organizational Trust

Bai, Ping Li, & Xi (2012); Dally (2009) in Uslu & Oklay (2015) states that organisational trust is the right mechanism to increase organisational productivity. With the emergence of organisational trust as a factor to increase

organisational commitment to employees, which causes organisations to maximise profits from their employees, the topic of organisational trust has become interesting (Uslu & Oksay, 2015). Over the years, scholars (among others: Mishra Trust Model (Mishra, 1996), Bromiley and Cummings Trust Model (Bromiley & Cummings, 1995) and Zalabak and Winograd Trust Models (Shockley-Zalabak, Ellis, & Winograd, 2000) developed various models of organisational trust, and this model was used to explain the emergence of organisational trust. These three models provide the perception of each dimension as follows:

Mishra Trust Model: Mishra presents an organisational trust model consisting of four dimensions for the organisation: competence, openness, reliability and caring. Competence concerns not only the productivity of leaders and employees but also the whole organisation to combat competition and transparency and authenticity regarding sincere and appropriate information communication within the organisation. According to this model, leaders should have critical responsibilities to have a perception of openness in the organisation. Finally, the caring dimension consists of employees' compassion and empathy at work.

Bromiley and Cummings Then Model: This model has two dimensions: individual and organisation. Individual trust is an expression of expectations of personal behaviour, and organisational trust is perceived trust in the organisation.

Zalabak and Winograd Trust Model: According to this model, organisational trust felt by employees is influenced by five behaviours, including consistency and wholeness in practice, sharing and spreading control, sincere and open communication and showing interest and attention.

The Cummings and Bromiley (1995) model state that in general, organisational trust reduces transaction costs, influences interactions between individuals, and reduces the insecurity of cooperative behaviour. Internal and external factors influence the organisational trust of the company. Personal characteristics is a significant players for creating trust in organisations (Wassan & Rasool, 2011; Cheng, 2008; Fleig-palmer & Schoorman, 2011; Khesal, Samadi, & Musram; 2013). Previous studies revealed factors in

organisational trusts, such as reward expectation, ability, benevolence, integrity, and fairness as determinants of corporate trust (Thorgren & Wincent, 2011; Mayer et al., 1995; Fang & Chiu, 2010) in Pirson & Malhotra (2010).

From several factors of organisational trust, in this study, researchers refer to the opinion of Mayer et al. (1995) that there are three dimensions in the elements of corporate trust (Mayer et al., 1995) in Pirson & Malhotra (2010), namely: ability, benevolence, and integrity.

Cohen (2015) states that organisational trust is another critical component in the justice paradigm because trust is one of the vital exchange components in each model of organisational justice. Sousa-Lima et al. in Cohen (2015) state that building trust in organisations is a crucial component to developing social exchange relationships because they are reciprocal, for example, employees are more likely to reciprocate more significant efforts and have more positive work attitudes when they have trust to the organisation. Furthermore, Fulmer & Gelfan in Cohen (2015) argues that research on trust at the organisational level, especially on trust between organisations, is a developing field. Social exchange theory serves as the central theoretical perspective for understanding the underlying trust processes as well as for trust at the individual and team level. For example, to the extent that human capital management shows commitment and support, employees tend to trust the organisation. Fulmer & Gelfan in Cohen (2015) defines trust in an organisation at the individual level as a psychological state consisting of a willingness to accept vulnerability based on an organisation's positive expectations.

Based on the explanation, we propose the following hypothesis :

H3. Organisational trust has a significant influence on employee retention in the insurance industry

Employee Retention

Employee retention is the company's ability to retain the company's potential employees to remain loyal to the company. Employee retention is one of the techniques used by management to keep employees in an organisation for a long time, Ragupathi (2013). Susilo (2013) defines employee retention as an effort to retain potential employees

to remain loyal to the company. The purpose of employee retention is to hire qualified employees who have the company as long as possible because eligible employees are intangible assets that are invaluable to the company. Efforts to retain employees have become a significant problem in many organisations. Therefore, organisations need to recognise that employee retention is a concern of the ongoing human capital department and a significant responsibility for all supervisors and managers.

The term employee retention is related to the term employee turnover, which means the process of employees leaving the organisation and must be replaced (Mathis and Jackson, 2009). Turnover is the rate at which employees leave the company (Dessler, 2017). Voluntary employee turnover or employees leaving the company because of their desires can be caused by many factors, including career opportunities, salaries, supervision, geography, and family or personal reasons. A study conducted on 262 companies that had a minimum of 1,000 employees in the United States found that five main reasons talented employees left the company were: salary, promotion opportunities, work-life balance, career development and health care facilities. From that, managers must understand that employee retention is a matter of talent management. For example, employees who are not interested in their work, feel out of line with their work and think that getting a below standard salary will most likely leave the company. Companies can solve these problems only by starting to align talent management practices through recruitment, selection, training, assessment and compensation (Dessler, 2017).

Employee retention is the ability to maintain stable human resources. Employee retention is often associated with the spirit and trust of the organisation. Retention is a complex concept, and there is no single way to keep employees at the company (Chandrashu & Sinha, 2012). Employee retention refers to all the efforts made by the organisation, which increases opportunities for employees to stay in the organisation for more extended periods. High employee turnover, in

addition to labour shortages and increased business sector, demands employee retention.

Employees are the main asset in almost every organisation, but it requires high costs to recruit, develop abilities to become reliable employees. This process requires not only financial losses but also time and effort. Replacing loyal employees costs one to two times the annual salary they receive (Fishman, in Stewart, 2012). Other literature on employee retention shows that seducing current employees using employee development programs or talent management saves more costs than acquiring new talent, besides that the company also understands the needs and desires of old employees more than new employees (Davidow, Uttal in Sinha and Sinha, 2012). There are several ways companies can do to retain employees. Survey findings in 2005 that reported global trends, there are five main factors in employee retention (Bhatnagar, 2007), namely Exciting work / challenge, Career Growth / Learning, Relationship / working with great people, Fair pay, Supportive Management

Every year, companies spend large amounts of money on replacing employees who voluntarily resign from their companies (Huningand Thomson, 2011; Olubiyi, 2019). These replacement costs can be as high as \$ 10,000 per employee per hour and are as high as double the employee's annual salary (Allen et al., 2010; Yurchisin, Park, & O'Brien, 2010). Substitution of employees is the departure of an employee from an officially determined organisation. Because scientific evidence shows the difference between voluntary and involuntary turnover (Allen et al., 2010), the high employee turnover rate, which is commonly observed in the service sector such as insurance, triggers operational disruptions with staff composition that is often in a vulnerable state (Nyberg & Ployhart, 2013; Yurchisin and Park, 2010). Based on the explanation, the following is hypothesis 4. The full model can be seen in Figure 1.

H4. Effect of talent management on employee retention mediated by the organisation's trust in the insurance industry

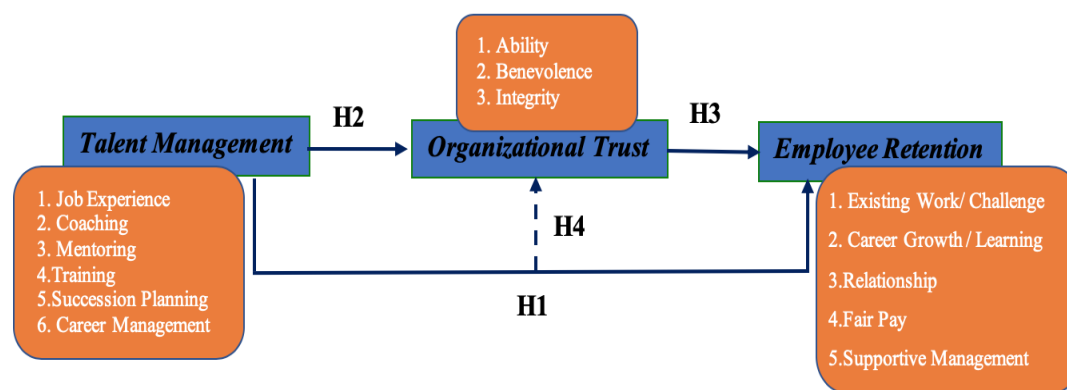


Figure 1. Research Model

METHOD

In this writing, the writer uses a quantitative paradigm. The author wants to know the cause and effect relationship; the authors use the X and Y variables and mediation variables.

Quantitative writing is positivism which emphasises objective phenomena. It uses numbers, statistical processing, structure and controlled experiments to describe to data. (Sukmadinata, 2013) with this writing using a survey method that is a method of data collection using a questionnaire instrument to get responses from respondents who become writing samples.

Each variables measurements, we formulate operationalization variables as follow, 1) talent management, with dimensions: job experience (working experience, type of experience), coaching (the role of leaders at work, coaching at work), mentoring (direction from leaders, assignment), training (training for employee, routines), succession planning (satisfaction, work performance), career management (career path, career opportunity); 2) organizational trust, with dimensions: ability (speed of work, ability to cooperate in team), benevolence (teamwork, kinship in the company), integrity (employee relational, group cohesion); 3) employee retention, with dimensions: challenge (challenge, new things in job), learning (employee learning, learning motivation), relationships (employee relationship, individual relationship), fair pay (income satisfaction, fairness of income), supportive management (support for employee, working environment).

The population is the subject of writing. According to Sekaran & Bougie (2016), the

population can be a community, person, or event. The population is not just an object or objects but the character or nature that can be found by the object or subject. Our population is employees of 5 insurance companies that ranked in the top 25 insurance companies in Indonesia. Based on data in the third quarter of 2019 of the Indonesian Life Insurance Association (AAJI), insurance companies that included in the top 25 list of insurance companies in Indonesia are as follows: We choose the top big five from 25 insurance companies in Indonesia, which are FWD Life, Allianz, AXA Mandiri, Prudential, and Sunlife. We accept the five insurance companies because they are multinational with positive growth and started the digitalisation. For example, the company run automation digital in its business processes so that the insurance filing approval process becomes faster and more efficient.

The total number of employees based on AAJI report in the third quarter of 2019, is 4611 people. Based on Sekaran (2016), with a population of 4611, the samples will be 354. The non-probability sampling method in this study uses a purposive sampling approach with the following criteria: is a permanent employee of the company, has worked for more than one year and worked in the Jakarta area. The employees came from 5 multinational insurance companies, and one person in charge appointed in each insurance company. The survey was carried out through face-to-face, email, social media and direct messages and collected with the person in charge to guarantee the number of target respondents. Details are in Table 1.

Table 1. Population

NO	Insurance Companies	Number of Employees
1	FWD Life	306
2	Allianz Life Indonesia	1043
3	AXA Mandiri Financial Services	878
4	Prudential Life Assurance	1895
5	Sun Life Financial Indonesia	489
TOTAL		4611

Source: AAJI Report -QIII Year 2019

The questionnaire will use a Likert scale with 1-5 points. The Likert scale is a scale designed to test how strongly the respondents agree with the statement or indicators from variables (Sekaran & Bougie, 2016).

We distribute the survey for five weeks with the following ways, 1) the first week, we distribute the questionnaire to one person-in-charge in each company. This person-in-charge will spread to 40 respondents, with a total of 200 respondents, 2) weeks 2 - 3, the questionnaire given directly to respondents via the LinkedIn website. The total survey submitted through LinkedIn was 75 respondents, then 3) week 4-5, the survey given to 79 respondents who were the contacts of each writer in each insurance company.

The validity test is to measure the degree of accuracy between the data contained in the field and the data reported by the author (Sekaran & Bougie, 2016). The validity test will use the factor analysis. Factor analysis is a statistical analysis tool to reduce the factors that affect a variable to just a few sets of indicators, without losing essential information. This study relies on the Kaiser-Meyer-Olkin Of Sampling Adequacy) where the value must be more than 0.5. Also, the MSA value on the Anti-image Correlation must be greater or equal to 0.5 (Sarwono 2002). The value of the MSA is 0 (zero) to 1 (one). If MSA = 1, the variable is predicted without error. If MSA > 0.5 then the variable can still be predicted and analysed further. If MSA < 0.5, then the variable cannot also be analysed and must be discarded. As for the significance value used is 5% with the following provisions: If the probability is < 0.05, the variable is useful. If the likelihood is > 0.05, then the variable cannot be analysed further.

Reliability test is to find out that indicators in the survey can give a consistent result (Sekaran &

Bougie, 2016). The reliability coefficient should be higher than 0.60; then the whole statement is declared to be reliable (reliable).

The internal measuring technique used in calculating the reliability of measuring instruments is Cronbach's Alpha. According to Siregar (2013), the Cronbach Alpha is to calculate the attitude or behaviour. The formula of Alpha Cronbach technique reliability test is

$$r_{11} = \left[\frac{k}{k-1} \right] \left[1 - \frac{\sum \sigma^2_b}{\sigma^2_t} \right]$$

When:

r_{11} = reliability coefficient

k = Numbers of indicators

σ^2_t = variance

$\sum \sigma^2_b$ = variance of indicators

The score of Alpha Cronbach should be > 0.6.

To examine hypothesis, we conduct regression with SPSS version 25. Since we have mediating variable, therefore we conduct Sobel Test. The Sobel test is testing the strength of the indirect effect of the independent variable (X) on the dependent variable (Y) through the intervening variable (M). The formula of the Sobel test is as follows:

$$z = \frac{ab}{\sqrt{(b^2 SE_a^2) + (a^2 SE_b^2)}}$$

Where,

a = regression coefficient independent variable to mediating variable

b = regression coefficient mediating variable to dependent variable

SE_a = Standard error estimation from independent variables to mediating variable

SE_b = Standard error estimation from mediating variable to dependent variable

RESULT AND DISCUSSION

The profile respondents include the gender, age, education, company, and work experience of the respondents is in Table 3. Respondent is divided almost equally between male and female (52% and 48% respectively). The aged majority was 31-35 years (29%), 36-40 years (24%), more than 40

years (28%), and the remaining age 20-25 years is 5%. It means that the majority of the employees of insurance companies is senior. The level of education is mostly bachelor (85%), graduate (11%) and a smaller part is a high school (4%). The employee is distributed evenly in the five-sample company. The work experience gave a profile that the employee worked for more than five years is 58%, 2-5 years of work experience is 34%, and under two years is 8%.

Table 3. Profile

Respondent	N=160	
Male		48%
Female		52%
Age (years)	20-25	5%
	26-30	14%
	31-35	29%
	36-40	24%
	>40	28%
Education	High School	4%
	Undergraduate	85%
	Graduate	11%
Insurance Company	A	19%
Respondent	N=160	
	B	19%
	C	27%
	D	16%
	E	19%
Work Experience (years)	<2	10%
	2-5	58%
	>5	34%

Table 4. presents the value of Kaiser-Meyer-Olkin MSA (KMO-MSA) talent management (0,809), organizational trust (0,881) and employee retention (0,871), thus, requirements for the factor analysis of talent management variables met so that they can proceed for further testing. Second,

the value of Bartlett's Test of Sphericity of talent management (1298,096), organizational trust (792,904) and employee retention (1261,768) at a significance of 0,000, and therefore all variable forming factors are right.

Table 4. Kaiser-Meyer-Olkin

	Talent Management		Organizational Trust	Employee Retention
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	,809		,881	,871
Bartlett's Test of Sphericity	Approx. Square df	Chi- 1298,096	792,904	1261,768
		153	36	105
	Sig.	,000	,000	,000

Table 5. Cronbach's Alpha for Talent Management, Organizational Trust and Employee Retention

Variable	N of items	Cronbach's Alpha
Talent Management	18	0.840
Organizational Trust	18	0.858
Employee Retention	18	0.867

The Cronbach's Alpha value is 0.840 for 18 indicator items on talent management variables, 0.858 for Organisational Trust variables and 0.867 for Employee Retention.

Table 6. Kolmogorov-Smirnov

One-Sample Kolmogorov-Smirnov Test		
		Unstandardised Residual
N		160
Normal Parameters ^{a,b}	Mean	,0000000
	Std. Deviation	5,38604234
Most Extreme Differences	Absolute	,057
	Positive	,051
	Negative	-,057
Test Statistic		,057
Asymp. Sig. (2-tailed)		,200 ^{c,d}
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Table 6., shows the value Kolmogorov-Smirnov test (K-S test or KS test). This test is a non-parametric, a one-dimensional probability distribution to compare among samples. The analysis shows the Asymp significance value of

0.2, where it is higher than 0.05, and concluded that the data normally distributed. Then we can continue to conduct regression.

Table 7. Linearity

ANOVA Table							
			Sum of Squares	df	Mean Square	F	Sig.
Employee retention * Talent Management	Between Groups	(Combined)	7019,188	32	219,350	6,099	,000
		Linearity	6290,093	1	6290,093	174,904	,000
		Deviation from Linearity	729,096	31	23,519	,654	,915
	Within Groups		4567,306	127	35,963		
	Total		11586,494	159			

Table 7 shows the ANOVA table that has a value of 0,000 or below 0.05, meaning the data is linear.

Table 8. Pearson Test

Correlations		Talent Management	Organizational Trust	Employee Retention
Talent Management	Pearson Correlation	1	,699**	,737**
	Sig. (2-tailed)		,000	,000
	N	160	160	160
Organizational Trust	Pearson Correlation	,699**	1	,689**
	Sig. (2-tailed)	,000		,000
	N	160	160	160
Employee Retention	Pearson Correlation	,737**	,689**	1
	Sig. (2-tailed)	,000	,000	
	N	160	160	160

** . Correlation is significant at the 0.01 level (2-tailed).

The Pearson test shows a significant relationship between talent management and employee retention. The Pearson value is 73.7%, means the relationship is positive and strong. The Organisational trust also has a significant relation

to employee retention because the significance value is below 0.05 and has a Pearson value of 68.9%, which means have a positive and strong relationship.

Table 9. Correlation Coefficient

Model Summary				
Model	R	R Square	Adjusted Square	RStd. An error of the Estimate
1	,776 ^a	,602	,597	5,420

a. Predictors: (Constant), Trust_Organizational, Talent Management

Table 14 shows a strong correlation between the independent and dependent variable with the correlation coefficient of 0.776. The R Square is

0.602 or 60.2%, means that variables explain 60% of employee retention, and the remaining explained by other variables.

Table 10 Linear Regression Model 1

Coefficients		Unstandardised Coefficients		
Model		B	Std. Error	Sig.
1	(Constant)	2,325	3,652	,525
	Talent Management	,511	,072	,000
	Organizational Trust	,564	,117	,000

a. Dependent Variable: Employee Retention

Table 10 shows the result of the regression model 1. Talent management has a significance value of 0,000 or less than 0.05, so it says talent management has a significant influence. Talent management has a beta value of 0.511. It provides information that talent management has a positive and significant effect on employee retention. It can conclude that we reject H0 and accept H1. The Organisational trust has a significance value of 0,000 or less than 0.05, so it says that organisational trust has a significant influence.

Organisational trust has a beta value of 0.564; this provides information that organisational trust has a positive and significant effect on employee retention. It concluded that we reject H0 and accept H3.

Table 11. Linear Regression Mediating Variable

Coefficients ^a		Unstandardised Coefficients		
Model		B	Std. Error	Sig.
1	(Constant)	7,524	2,413	,002
	Talent Management	,431	,035	,000

a. Dependent Variable: Organizational Trust

The beta of the mediating variable is 0.431, at a significance level of 5%. It provides information that there is a positive influence between talent management and organisational trust. We reject H0 and accept H2. Then, followed with table 12., shows the Sobel Mediation test. This test is to measure the role of organisational trust in

mediating the effect of talent management on employee retention. It shows there is a significant influence between talent management on employee retention with the mediation of organisational trust variables; this can we observe the p-value that indicates 0,000, which is below 0.05. We reject H0 and accept H4.

Table 12. Sobel Mediation Test

Input	Test Statistics	Std. Error	P-Value
<i>a</i>	0,431		
<i>b</i>	1,143		
<i>Sa</i>	0,035	8,5596	0,0575
<i>Sb</i>	0,096		0,000

Table 13. Hypothesis Testing

	Hypothesis	P-Value	Decision
H1	Talent Management > Employee Retention	0,000	Accept
H2	Talent Management > Organizational Trust	0,000	Accept
H3	Organizational Trust > Employee Retention	0,000	Accept
H4	Talent Management > Organizational Trust > Employee Retention	0,000	Accept

Table 13., provides information about the hypothesis testing result, all hypothesis are accepted. From the results, we can see that compensation and benefits in the insurance industry are not always the reason for an employee to stay in the company. Employee counts talent management and organisational trust as well. Three dimensions have the highest answer score, namely The job experience, training and succession planning have the highest score. It contributes to employee retention efforts in insurance companies. The ability and kindness have the highest score, which means the capabilities and policies of the company to

provide satisfaction to employees considered necessary. It demonstrates that the higher the level of organisational trust, the higher the employee retention at insurance companies. When an employee feels challenge and learning in their work, they will stay.

From the results of this study indicate that work experience is considered the most influential for respondents to survive in the company where they work today. This work experience can help the respondents in facing challenges in their work. That experience makes respondents get informal learning in the company, which will ultimately increase employee retention in the company. On the other hand, work experience as part of talent

management will show a more significant effect when it must pass through organisational trust, especially when there is an emotional bond between employees.

In addition to work experience, part of succession planning and training also scores high on questionnaire questions about the desire of respondents to take part in company business activities and the development of employee capabilities in carrying out their roles in the company. It considered being an essential influence on employee retention. This influence will become higher when the talent management variable mediated the organisation's trust where management's support for the employee's desire to take part in the company's business is one of the questions that receive a high answer score in the employee retention variable.

We can conclude the significant relationship between the influence of talent management and employee retention as following previous research conducted by Boudreau & Ramstad (2007) and Huselid et al. (2005) held in other countries so that there is conformity with the phenomenon that occurs in Indonesia, especially in insurance companies. This significant effect shows through the response of insurance company employees who were respondents of this questionnaire. The majority of respondents perceive that talent management influences their decision to survive in the company. The talent management dimensions that are considered the most influential by respondents representing employees of insurance companies in Indonesia based on this research are job experience, training and succession planning. Talent management practices in insurance companies towards the three most dominant dimensions are centred on job experience and training. For talent management practices in the training dimension at the insurance company itself, most are still one-way, where companies that encourage employees to attend training programs that are given or recommended by the company. The desire of employees to improve their knowledge and skills following their area of work through training programs is still low. It can be caused by several things, among others: employees do not see training as needed, or employees do not know what training programs are suitable for their needs. In this context, the company through the HC must play an active role to help employees to

find out the training needs that provide benefits for themselves and the company.

On the other hand, succession planning considered as one of the dimensions that contribute quite high in talent management in insurance companies in Indonesia. But now insurance companies in Indonesia are still faced with a condition where recruitment from external sources is still the primary choice because it considered faster and easier in the process, so that in the end talent shortages for some strategic positions often occur. For this reason, insurance companies in Indonesia must begin to pay attention to this dimension so that the company's talent needs a match the internal recruitment process that will ultimately affect employee retention.

This study also found a significant influence between talent management on organisational trust. It is following previous research conducted by Altrnaz et al. (2013) in his research on companies in Ankara, Turkey. So there is a match between this research and previous research on talent management and organisational trust. We can conclude that in the context of insurance companies, especially in Indonesia, the talent management practices implemented by the company will influence organisational trust, so the better the talent management practices are carried out, the better the organisational trust that occurs.

Organisational trust in this study also has a positive and significant effect on employee retention. It follows the previous research conducted by Oladapo (2014), which views that organisational trust can have a resilience effect on employees. We can conclude that organisational trust that occurs within insurance companies in Indonesia have a positive and significant impact on employee retention. The dimensions of organisational trust that are considered the most influential by respondents representing employees of insurance companies in Indonesia based on this research are ability and benevolence. Thus the higher the organisation's trust in insurance companies in Indonesia, the higher the retention rate of its employees.

The role of organisational trust as a mediation between the influence of talent management on employee retention has a positive and significant impact this is by previous research conducted by Deloitte (2012) that organisational trust can mediate the influence of talent

management for employees having more resilience in the company.

Finally, through the results of this study, we can also conclude that the effect of talent management on employee retention in insurance companies becomes stronger when mediated by organisational trust. Where is the perception of insurance company employees who become respondents in this study stated that the existence of talent management practices will help increase employee retention in the company? Still, if organisational trust mediates the talent management, employee retention rates will be even higher. For this reason, many insurance companies are now trying not only to focus on talent management practices but also to begin to pay attention to initiatives that can increase organisational confidence in employees and vice versa. We recommend the following activities to increase organisational trust companies should aware and conduct quarterly performance meeting, also develop company initiatives in townhall meetings for employees, then provide open and comfortable workspaces to facilitate communication between employees and last but not least, involve employees to live in projects to achieve its business goals.

CONCLUSION

The purpose of this study is to obtain information on how the influence of Talent Management on Employee Retention is directly or mediated by Organizational Trust. As stated earlier, employee retention is an essential issue in the discussion of Human Capital Management, the impact of distortion on the HCM function. We found that, the talent management practices have an impact on employee retention in the context of insurance companies in Indonesia.

Throughout this research, it provides information to insurance companies in Indonesia that there is a positive relationship between talent management and organisational trust and talent management has an influence on organisational confidence in insurance companies in Indonesia. Also, since organisational trust has a strong relationship and a significant influence on employee retention. It provides information to insurance companies in Indonesia that the higher the trust of the organisation, the greater the retention rate of employees in insurance companies in Indonesia.

Finally, this research also proves that talent management has a greater influence on employee retention after being mediated by organisational trust. With trust, the organisation provides a positive influence when acting as a mediator towards the implementation of talent management practices.

Managerial implications are beneficial for insurance companies in Indonesia, HC practitioners and actors in the HC industry in carrying out talent management practices in the companies where they work. Managerial implications state that talent management will have a greater influence on employee retention in insurance companies in Indonesia after being mediated by organisational trust. Thus it can be said that in the context of insurance companies in Indonesia employee retention is not solely determined by compensation and benefits received by employees. The results of this study conclude there are several other factors beyond compensation and benefits that influence employees to decide to stay in the insurance company in Indonesia, including:

In the talent management variable, the dimensions of job experience, training and succession planning, are considered more important by employees of insurance companies because these three dimensions are considered to help develop employees in insurance companies to move from previous career paths to higher career paths. This consideration is what ultimately makes employees decide to stay in the company.

Further study may focus on the degree of emotional bonding as it become the factor between superiors and subordinates as well as between employees carried out in coaching and mentoring which is part of talent management becomes increasingly high when mediated by the ability to work together high between employees in organisational trust. This relationship helps to maintain the relationship between fellow employees and employees with superiors to be higher so that ultimately increases the speed and accuracy of employees in work and have an impact on the insurance company's business.

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