

Benefits of Talent Management and Leadership to Employees

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ABSTRACT

This study investigates how talent management and leadership influence employee motivation, engagement, and organizational performance within the context of PT. Retota Sakti Pekalongan, a company engaged in the production of natural fiber woven textiles. Employing a qualitative literature review approach with interpretative descriptive analysis, the research synthesizes findings from scholarly articles, reports, and books to identify key patterns and theoretical insights. Talent management is conceptualized as a strategic effort to identify, nurture, and retain skilled individuals aligned with the company's long-term goals. When implemented effectively, it enhances motivation, fosters engagement, and improves both individual and organizational outcomes. Concurrently, leadership styles that emphasize empowerment, inclusivity, and collaboration foster a supportive work culture and strengthen employee trust and performance. The findings highlight the significant synergy between robust talent management and effective leadership in achieving sustainable organizational excellence. This research offers a practical framework for aligning human capital strategies with leadership development to support competitiveness in the Industry 4.0 era.

ARTICLE INFO

Keywords:
Talent Management,
Leadership, Employee
Motivation,
Engagement, Industry
4.0

1. Introduction

In the era of the Fourth Industrial Revolution (Industry 4.0), rapid digital transformation is reshaping industries, including the textile sector. Companies like PT. Retota Sakti Pekalongan, which specializes in the production of natural fiber woven textiles, face increasing challenges in maintaining competitiveness and workforce adaptability. In such a dynamic environment, leadership and talent management emerge as pivotal factors in aligning human capital strategies with organizational goals.

This study focuses on understanding how leadership and talent management intersect in fostering employee engagement, motivation, and performance. The main emphasis is on leadership in the digital era, where managing people is not only about authority but also about influence, empathy, and strategic foresight. Talent management, meanwhile, is positioned as a proactive mechanism for identifying, nurturing, and retaining high-potential individuals in response to business complexity.

To provide a coherent argument, this paper first addresses the conceptual and practical dimensions of talent management and leadership in modern organizations. Subsequently, it elaborates on how these two elements co-function to build a resilient, adaptive, and competitive workforce in the context of Industry 4.0. As social creatures, humans cannot live alone and always interact with other people and the environment. They live in various groups, both large and small. Interacting in a group certainly has its own challenges. In order to create a harmonious life, group members need to respect and appreciate each other.

Order in life must be maintained, because an orderly life is the dream of every individual. Therefore, creating and maintaining harmony in life is a human responsibility. Quality leadership is leadership that has effective talent management and is able to direct the change process by setting clear strategic goals and reinforcing corporate values and principles through personal example, while controlling and taking responsibility for performance improvement.

The idea of leadership and power has generated great interest and debate. At times, it has also created confusion as management thinking evolves with the concept of power being strongly linked to leadership. Through power, leaders gain the means to influence the actions of their followers. By establishing a close relationship between leadership and power, Hersey, Blanchard, and Natemeyer felt that leaders should not only evaluate their own actions in order to understand how they influence others, but also need to consider their position and how to use the power available to them.

2. Literature Review

Talent Management

Talent management is the process of recognizing, developing, recruiting, retaining, and placing talented individuals. This process is carried out by companies or organizations to meet and respond to their needs for Human Resources (HR). In addition, talent management can also be understood as a strategic approach to managing the flow of talent within a company or organization, with the aim of ensuring the availability of talent supply and matching the right employees with the appropriate position and time, based on the company's strategic goals and priorities of its business activities.

Furthermore, drawing parallels with push-pull motivation theory, talent management serves both as a 'pull' factor to attract skilled individuals and a 'push' mechanism to propel existing employees toward higher performance. By aligning talent strategies with business objectives, organizations can create a continuous pipeline of future leaders and innovators.

(Dewi, 2020) argues that talent management consists of a series of steps taken by the company through a process to recognize, develop, and retain talented employees. The goal is to match the right employee with the right job and the right time, based on the strategic goals and priorities of the company's activities. By optimizing the performance of talented employees, it is expected to create business excellence and achieve the company's vision. (Zunaidah dan Denny Nabawi, 2020). Stating that there are seven elements that can be analyzed as a form of investment in human resources, as seen in the following picture of talent management activities and practices.

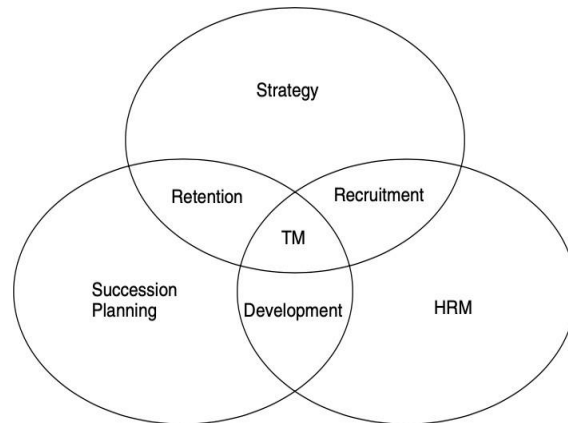


Diagram 1. Territorial Talent Management

Many methods have been implemented by human resource departments to recruit and attract qualified employees. The ultimate goal is to find high potential individuals who require little additional development in order to contribute maximally to the company's performance. In this case, talent management plays an important role to ensure that these talented candidates are not only recruited, but also managed in a strategic way according to the company's needs.

According to Hendry dan Asri (2022), Talent management is the task of organizations in recognizing employees who have superior skills and abilities, so that they can effectively overcome competition and challenges in the world of work. Talent management has become an important approach in human resource management today. In the midst of global competition and rapid technological development, companies are required to not only have skilled employees, but also to be able to manage and develop talent on an ongoing basis to gain an edge in competition. Talent management encompasses more than just recruitment, but also includes the development, retention, and maximum utilization of individuals who have extraordinary potential.

According to Hendry dan Asri (2022), talent management is the company's responsibility to recognize employees who have outstanding abilities and skills so that they can compete and adapt to the challenges at hand. The talent management process starts from the recruitment phase, which aims to select qualified individuals who can be groomed to achieve top performance through appropriate training, mentoring and placement programs.

In the meantime, Anggraini dan Agustini (2022) asserts that talent management encompasses a company's ability to attract, motivate, retain, and develop employees through engaging programs and projects. Individual talents developed in a systematic way can be transferred into organizational strengths to create innovation, increase productivity, and deal with changes in a constantly moving work environment.

In the context of modern organizations, talent management is also closely related to creating a work culture that supports career development, flexibility, and visionary leadership. In practice, companies need to adopt an integrated approach between business strategy and human resource strategy, where talent management becomes part of the long-term plan.

Thus, talent management is not just an administrative task, but also a key strategy that supports the achievement of overall organizational goals. Companies that successfully implement talent

management will have an advantage in retaining the best employees and increasing competitiveness at the global level.

Talent pool development (Agustin et al., 2025), talent pool is an important element in human resource management as it helps organizations have a list of individuals ready to be promoted or placed in key positions when there is an urgent need. It is an active program where organizations systematically identify, develop, and prepare people with high potential for crucial roles, especially in future leadership. With a talent pool in place, companies can identify internal talent and provide targeted mentorship to prepare them for greater responsibilities.

For employees, participating in the talent pool program is a valuable opportunity to demonstrate skills, receive clear guidance, and have direction and purpose in career development. The program creates a structured framework, where employees are aware of which competencies need to be improved and which areas need improvement. This not only increases motivation, but also provides a feeling of being valued thanks to the company's serious attention to individual development. Clarity on career paths and support in the form of feedback from leadership and the HR team are important factors that encourage sustainable employee growth.

Thus, the existence of a talent pool provides multiple benefits: on the one hand, the company gets capable and ready future leaders; on the other hand, employees get the opportunity to develop both professionally and personally. Proper implementation of this program will strengthen organizational sustainability and improve the retention of qualified talent.

Leadership

Leadership is the ability of an individual (leader) to influence others (followers), so that they act in accordance with the wishes of the leader. A leader needs to have social or societal fundamentals. Leadership is closely related to the structure of society. In agrarian communities where there is no specialization, leaders usually control all aspects of community life.

(Plecas et al. , 2018). Whether we realize it or not, everyone is influenced by a worldview, belief system, or values that shape decisions, how needs are met, and how we interact with others. Effective leaders are usually guided by a solid set of values, ethics and moral frameworks that enable them to act with integrity, openness, honesty, empathy and consistency.

Therefore, the core of ethics and integrity is a critical component in identifying true leaders, leaders whose inner values are reflected in their actions so as to inspire trust and confidence and attract respect. These leaders keep their promises. This is especially important in times of crisis, when maintaining public trust is crucial.

As described in the various ideas, this reflects aspects of leadership theory as expressed by.(Faturahman, 2018) Leadership serves as a key element in achieving organizational goals. However, in achieving these goals, it is important to pay attention to the behavior of the individuals under it, because this behavior forms the culture in the organization. There are several types of leadership, such as transactional leadership, transformational leadership, and various other leadership styles..

A leader is an individual who has a significant impact in a company and when leading an organization, they adopt a variety of styles. The leadership style used by the leader will influence employees in carrying out their tasks, as expressed by (Ilyas et al., 2017). Leadership style can be understood as a person's ability to direct, influence, encourage, and control other people or subordinates, so that they behave consciously and voluntarily in carrying out work in order to achieve all set goals.

Transformational leadership style according to (Sinaga & Lubis, 2022) is a highly transformative leadership approach, where a leader makes an impact that is felt by his subordinates. This style encompasses multiple dimensions that motivate subordinates to achieve, self-develop, and strengthen the group and organization. Transformational leaders inspire their subordinates by raising awareness that they are a valued part of the company that has the potential to realize themselves and grasp the vision, as well as being able to deliver it.

They create a work environment that emphasizes continuous learning, serve as a good example, respect individual abilities and values, are supportive of colleagues, and encourage initiative and responsibility, while exercising collaborative leadership. At the supervisory level, transformational leadership has a significant impact on management performance, by handing over supervisory responsibilities so that they can interpret the overall objectives to effectively achieve performance targets.

Transactional leadership style Transactional leaders motivate their team members through rewarding them according to the agreement between them. This approach seeks to understand what subordinates need from their tasks and rewards them for their efforts. In addition, this leader also pays attention to the personal interests of subordinates, provided that it is in line with the value of the work done.

Therefore, this style is quite effective to apply in the context of leadership. In this case, there are several definitions of leadership according to various experts, both from Indonesia and internationally, who have provided explanations regarding the definition of leadership. Definition of leadership according to experts from both Indonesia and abroad :

1. **Northouse, Peter G. (2021)** *"Leadership is a process whereby an individual influences a group of individuals to achieve a common goal."*
2. **Goleman, Daniel (2020)** *"Leadership today is about empathy. It's about being able to relate to and connect with people for the purpose of inspiring and empowering their lives."*
3. **Avolio, Bruce & Gardner, William (2020)** *"Leadership is about self-awareness, transparency, ethics, and a deep sense of purpose, which allows leaders to build trust and foster genuine relationships."*
4. **Uhl-Bien, Mary (2020)** *"Leadership is not a role or position, but a dynamic process of enabling adaptive and creative problem-solving within complex systems."*
5. **Mujtaba, Bahaudin (2020)** *"Leadership involves setting vision, aligning people with that vision through communication, and motivating them to overcome challenges for the benefit of the group."*
6. **Prof. Dr. Nasution, M.A. (2020)** *"Leadership is a person's ability to direct, guide, and motivate others to work synergistically in achieving organizational goals, by promoting exemplary values and integrity." Emphasizes the importance of exemplary values and integrity in the process of leading.*
7. **Dr. Tri Winarno, M.Si. (2021)** *"Leadership is a social process that creates influence through effective communication and exemplary behavior in order to achieve a shared vision within the organization." Focus on aspects of communication and leadership as a social process*
8. **Dr. A. Rakhmat, M.Psi. (2020)** *"Leadership is a person's ability to understand the needs of followers and direct them through humanistic approaches in order to achieve harmony and joint performance." Emphasizes psychological and humanistic approaches to leadership.*

9. **Dr. Budi Wibowo, M.Pd. (2022)** *“Leadership is the ability to mobilize the potential of individuals and groups collectively through collaborative, participatory, and contextual approaches.” Emphasizing collaborative and participatory leadership in the digital and VUCA era.*
10. **Prof. Dr. H. Eko Supriyanto, M.Si. (2023)** *“Leadership in the digital age is the art of managing change and building trusting relationships with teams through speed, openness, and sharpness of vision.” The context of digital leadership is relevant to the development of technology.*

Key Duties of a Leader

In order to create successful leadership, it is important for a leader to perform his or her duties in accordance with his or her role. In this regard, leadership roles are closely related to the social conditions in the group they lead, which indicates that a leader must be directly involved in the situation, not just outside it.

Leadership includes individuals who lead an organization or institution, not just limited to leading activities such as flag ceremonies, choirs, and similar things that are temporary. (Jeanne. Manik SH., 2016) Stating that the main task of a leader is to carry out management functions which include:

- a. Provides a clear basic framework as a guide for followers.
- b. Monitors, controls and directs the behavior of the members of the community it leads.
- c. Acts as a representative of the group before the outside world that is not related to the group being led. (Nandemar et al., 2020)

Leadership objectives

The main role of a leader is to assist the group in the decision-making process and improve work efficiency. (Sugito, 2025), the core tasks of a leader include deciding and working, which include:

1. Facilitating the process of establishing work procedures within the group
2. Supporting the group in self-organization
3. Making decisions collectively with the group
4. empowering the group to learn from their experiences

Leadership Values

An important value that must be possessed by a leader so that leadership can run well and efficiently is to achieve the goals that have been set. According to (Hutahean, 2021), there are nine leadership values, namely integrity and morality, responsibility, leader vision, wisdom, exemplary, maintaining dignity, faith, communication skills, and commitment to improving human resources.

3. Method, Data, and Analysis

This study employs a qualitative literature review method with an interpretative descriptive approach. The analysis focuses on secondary data sources, including peer-reviewed journal articles, books, and industry reports relevant to talent management and leadership in the context of labor-intensive manufacturing sectors, particularly in natural fiber textile production.

Literature was gathered from reputable databases such as Google Scholar, and journals, using keywords including "talent management", "leadership", "transformational leadership", "employee engagement", and "textile industry". The inclusion criteria encompassed sources published between

2013 and 2025, written in English or Indonesian, and directly related to organizational performance and human capital management.

The selected materials were reviewed thematically by identifying core concepts, coding recurring patterns, and comparing theoretical frameworks, particularly between transformational and transactional leadership models. The interpretative descriptive method was chosen for its suitability in understanding the complex and context-dependent interplay of leadership and talent management, allowing insights that are grounded in real-world industrial applications. This method is especially appropriate for capturing qualitative nuances in organizational behavior, which are vital for proposing frameworks that can be applied in companies like PT. Retota Sakti Pekalongan.

4. Result and Discussion

The results of this literature review indicate a significant relationship between leadership style and the effectiveness of talent management practices. In the context of PT. Retota Sakti Pekalongan, transformational leadership fosters an environment conducive to learning, innovation, and trust, key conditions for effective talent development and retention. This leadership style supports the company's vision to produce sustainable natural fiber textiles while embracing digital transformation.

Conversely, transactional leadership (though often seen as rigid) proves useful in maintaining operational stability and managing routine performance. A hybrid leadership model combining both styles appears to offer the best outcomes for companies navigating traditional production processes while innovating for future competitiveness. Thematic analysis also revealed that successful talent management systems integrate early talent identification, clear career mapping, digital skill development, and transparent succession planning. These elements enhance employee engagement and organizational agility, particularly in industries characterized by skilled labor dependence and evolving technological requirements.

Case studies and empirical literature affirm that organizations that align leadership values with talent strategies achieve better outcomes in employee satisfaction, retention, and innovation capacity. These findings underscore the need for leadership models that not only direct but also inspire, adapt, and empower talent in a rapidly changing industrial landscape.

Organizations need to be able to create a work atmosphere that supports learning, collaboration, and career development, so that their talents can make maximum contributions to organizational competitiveness and growth amid the challenges of digital disruption. The maintenance and deployment of talented individuals within an organization is also an important element in talent management.

This can be done by developing critical and creative thinking skills, and encouraging collaboration between individuals with different backgrounds and ideas. In addition, risk-taking is required, along with a commitment to continuous learning and development to cope with rapid change.

Leadership is a key element in organizational management because it is closely related to a person's ability to influence others to act in accordance with the vision and goals that have been set. According to (Hasana & Helmi, 2023), leadership is defined as "the process by which a person influences other group members to achieve a common or organizational goal." This definition suggests that leadership is not just a position, but also a dynamic process involving social influence. " This definition suggests that leadership is not just a position, but also a dynamic process involving social influence.

Leadership is also contextual and constantly changing in line with the times and society. Effective leaders in the current era are expected to have a foundation of ethics, integrity, openness, honesty, empathy, and consistency in actions and decision-making. These values not only strengthen the trust of followers, but also build a healthy and sustainable organizational environment.

In leadership theory, the concept of power plays a very important role. Power allows leaders to influence followers behavior and decisions, either through formal authority or through attractiveness or competence. Various leadership styles have been described in the management literature, including

Transactional leadership, which emphasizes the exchange relationship between leaders and their subordinates through a system of rewards and sanctions. Transformational leadership, which focuses on inspiring, motivating, and developing the capacity of individuals and groups to achieve significant positive change. These two styles have different impacts on the performance, engagement, and potential development of human resources in the organization.

In this context, leadership objectives include helping to create a positive social atmosphere, supporting groups to determine how to work, assisting groups in organizing themselves, making decisions collectively, and providing opportunities to learn from experience. In addition, leadership values consist of integrity, responsibility, a leader's vision, wisdom, being a role model, maintaining honor, courage, communication skills, and commitment to improving the quality of human resources.

5. Conclusion and Suggestion

Conclusion

This study concludes that the synergy between effective talent management and strong leadership significantly influences employee motivation, engagement, and organizational performance. In the context of PT. Retota Sakti Pekalongan, a company rooted in traditional textile production yet adapting to Industry 4.0 challenges, transformational leadership emerges as a catalyst for talent development, innovation, and sustained competitiveness. Meanwhile, transactional leadership complements operational stability by clarifying roles, expectations, and accountability.

The findings reinforce that integrated talent strategies (encompassing early identification, structured development, and succession planning) must be aligned with leadership styles that inspire, empower, and adapt to change. Organizations that successfully align these dimensions are better positioned to maintain human capital quality and navigate digital transitions effectively.

Suggestion

Efficient talent management is a vital element for the success and continuity of an organization, especially amidst changing global competition and rapid technological development. To maximize the impact of talent management in labor-intensive industries undergoing digital transformation, several strategic recommendations are proposed:

1. **Early Talent Identification and Mapping Organizations**, need to carry out a process to recognize and map employee potential in a structured manner through competency, performance, and potential assessments. This step will help companies find qualified human resources for further development.
2. **Digital and Adaptive Talent Development**, in the face of the digital era and the industrial revolution 4.0, talent development needs to include improving capabilities in digital, technology, as well as soft skills such as creativity, critical thinking, and communication. Training programs tailored to future needs are critical to maintaining competitiveness.

3. **Structured Succession Planning Companies**, need to develop succession planning to ensure there are candidates ready to fill key positions. This is important to ensure continuity of leadership and organizational stability when personnel shifts occur.
4. **Improving Employee Retention and Engagement**, building a work culture that supports career development, provides appropriate rewards, and creates clear promotion paths will increase employee engagement and loyalty. This strategy is critical to keeping top talent from moving on to other organizations.
5. **Utilizing Technology in Talent Management**, the use of digital platforms such as human resource information systems (HRIS), talent dashboards, and online training systems can improve efficiency and accuracy in overall talent management.

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