

The Role of Transformational Leadership and Employee Competence in Enhancing Talent Employee Quality in the Automotive Parts Industry

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Keywords:	Abstract
Transformational Leadership; Employee Competence; Talent Employee Quality; Automotive Parts Industry; Structural Equation Modeling	Talent employee quality is a strategic concern in automotive parts manufacturing because this industry requires precision, quality compliance, production reliability, and adaptability to technological change. This research examines the role of transformational leadership and employee competence in enhancing talent employee quality among permanent employees of automotive parts manufacturing companies in Bekasi, Karawang, and Purwakarta, Indonesia. The research used a quantitative descriptive-verificative design. The population consisted of 20,219 permanent employees from 14 companies, and 400 respondents were selected through cluster proportional random sampling. Data were collected using an ordinal-scale questionnaire and analyzed through descriptive statistics, measurement-model evaluation, reliability assessment, and structural equation modeling with LISREL 8.80. The results show that transformational leadership has a positive and significant effect on talent employee quality (path coefficient = 0.2816; $t = 5.1176$), while employee competence also has a positive and significant effect (path coefficient = 0.2526; $t = 4.5843$). Both t -values exceed the critical value of 1.9660 at the 5% significance level. The full antecedent block in the original SEM model explained 75.55% of the variance in talent employee quality. The study contributes to human resource management literature by positioning talent employee quality as a construct shaped by organizational leadership and individual competence in a manufacturing context.

INTRODUCTION

The automotive parts industry occupies a strategic position in the manufacturing value chain because component quality, delivery accuracy, and production continuity influence the performance of vehicle manufacturers and their wider supply networks. Automotive component production is not merely a routine manufacturing activity; it is a process-intensive system that requires standardized work, defect prevention, measurement discipline, occupational safety, and continuous improvement. In this environment, human resources become a central productive asset because machines, tools, and quality systems cannot operate effectively without employees who understand procedures and can respond to production deviations. The quality of employees therefore becomes inseparable from the competitiveness of automotive parts manufacturers.

The industrial corridor of Bekasi, Karawang, and Purwakarta in West Java is one of Indonesia's important manufacturing concentrations. Companies operating in this corridor

generally face high customer expectations from original equipment manufacturers, strong pressure for cost efficiency, and increasing technological requirements in production systems. These pressures require employees who are not only technically capable, but also adaptable, reliable, and committed to organizational goals. Talent employee quality becomes a relevant construct because it connects employee competence, work values, career orientation, and organizational attachment with the operational demands of modern manufacturing.

In human resource management, talent is usually discussed through talent management systems, succession planning, and retention policies (Schuler et al., 2011). The literature also emphasizes that talent is not a single attribute, but a configuration of competence, commitment, contribution, potential, and performance orientation (Gallardo-Gallardo et al., 2013; Silzer & Dowell, 2010; Ulrich & Smallwood, 2012). This view is consistent with the resource-based view, which argues that sustainable competitive advantage can be created through valuable, rare, inimitable, and non-substitutable internal resources (Paul & Mathew, 2025; Rauf et al., 2019). In manufacturing organizations, talented employees may represent such a resource when their knowledge, skills, attitudes, and commitment are difficult for competitors to imitate.

Transformational leadership is frequently recognized as a leadership approach that can build shared vision, stimulate employee motivation, encourage intellectual exploration, and attend to individual development needs (Yukl & Gardner, 2020). These leadership behaviors are particularly relevant for production organizations because employees must be motivated to maintain quality discipline while also contributing improvement ideas (Blaga, 2020; Ichdan, 2024). Transformational leaders can help employees interpret production targets as shared organizational goals rather than merely formal instructions. Such leaders can also create psychological conditions that encourage learning, problem solving, and commitment to improvement. Employee competence is another central antecedent of talent employee quality. Competence refers to the combination of knowledge, skills, motives, traits, self-concept, and work attitudes that enable employees to perform effectively in specific job situations. In operational terms, competence in automotive parts manufacturing includes product knowledge, understanding of quality standards, technical skill in operating equipment, ability to read work instructions, safety awareness, and disciplined work behavior. Human capital theory provides a foundation for this argument because competence development is a form of investment that increases the productive value of employees (Noe, 2020).

Previous studies have examined talent management in various organizational contexts. Collings and Mellahi (2009) and Lewis and Heckman (2006) focused on talent management systems and succession planning at the organizational level. Gallardo-Gallardo et al. (2013) explored the conceptualization of talent in the world of work, while Silzer and Dowell (2010) and Ulrich and Smallwood (2012) examined talent as a configuration of competence, commitment, and contribution. However, these studies remain limited in several aspects: they primarily treat talent management as an organizational program rather than examining talent employee quality as a measurable employee-level construct, focus on service or office-based industries rather than manufacturing contexts, and do not specifically examine the formation of talent quality through leadership and competence in automotive parts manufacturing. Additionally, most previous research has not simultaneously analyzed the dual pathway of leadership activation and competence capacity in shaping talent employee quality within the Indonesian manufacturing context.

A research gap remains in the way talent quality is examined in manufacturing settings. Many studies treat talent management as an organizational program rather than examining talent employee quality as a measurable employee-level construct. Other studies focus on employee performance or engagement, while the formation of talent quality through leadership and competence receives less contextual attention in automotive parts manufacturing. The sector differs from service or office-based industries because work results are highly dependent on process accuracy, defect prevention, compliance with technical standards, and coordination across production lines. This makes the manufacturing context theoretically and practically important for studying the antecedents of talent employee quality.

This article narrows the larger dissertation model into two focal antecedents: transformational leadership and employee competence. This narrowing is academically useful because leadership represents an organizational-social factor, while competence represents an individual-capability factor. Studying both factors simultaneously provides a more balanced explanation of talent employee quality. It also helps avoid an overly general explanation that attributes talent development only to recruitment or formal talent management programs. In daily manufacturing operations, employees become talented through a continuing interaction between supportive leadership, competence development, quality discipline, and work experience.

The objective of this study is to examine and explain the role of transformational leadership and employee competence in enhancing talent employee quality in automotive parts manufacturing companies located in Bekasi, Karawang, and Purwakarta. The contribution of this study is threefold. First, it provides empirical evidence from an Indonesian automotive parts manufacturing context. Second, it strengthens the conceptual position of talent employee quality as a human resource construct shaped by both leadership and competence. Third, it offers practical guidance for companies seeking to strengthen talent pipelines through leadership development, competency mapping, technical training, and work attitude formation.

METHOD

Research design and context

This research used a quantitative approach with a descriptive-verify design. The descriptive component was used to explain the empirical condition of transformational leadership, employee competence, and talent employee quality. The verify component was used to test the causal relationships among latent variables through structural equation modeling. This design is appropriate because the study uses theory-based hypotheses and tests relationships among constructs measured through multiple indicators.

The research context was automotive parts manufacturing companies operating in Bekasi Regency, Karawang Regency, and Purwakarta Regency, Indonesia. These locations were selected because they represent an important industrial corridor for automotive manufacturing and component supply. The unit of analysis was permanent employees. Permanent employees were selected because they are directly involved in the organization over a longer period and are more likely to experience leadership practices, competence development, and talent-related policies.

Population and sample

The population consisted of 20,219 permanent employees from 14 large automotive parts manufacturing companies. The final sample consisted of 400 respondents. Cluster proportional random sampling was applied to represent the distribution of employees across companies. This sampling approach is suitable because the population was distributed across several companies with different employee sizes. The sample distribution is presented in Table 1.

Table 1. Research population and sample

Company	Population	Sample
PT Aisan Nasmoco Industri	170	3
PT Denso Indonesia	2,554	51
PT Astemo Indonesia Automotive System	1,800	36
PT Cabinindo Putra	640	13
PT Nifco Indonesia	160	2
PT Saitama Stamping Indonesia	65	1
PT Yamaha Motor Parts Manufacturing Indonesia	3,200	64
PT ART Piston Indonesia	185	2
PT Daido Indonesia Manufacturing	199	3
PT JTEKT Indonesia	650	13
PT Uyemura Indonesia	660	14
PT Fukoku Tokai Rubber Indonesia	44	1
PT Indomobil Suzuki International (Spare Part Division)	6,692	133
PT Nissan Motor Indonesia (Spare Parts)	3,200	64
Total	20,219	400

Source: Company HR Records and Primary Data Processed

Measures

Data were collected using a structured questionnaire with ordinal response options. Transformational leadership was measured through four dimensions: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. These dimensions are consistent with the transformational leadership framework developed in the leadership literature. Employee competence was measured through knowledge, skills, and attitudes. This three-dimensional structure is consistent with competency-based HRM because competence must include cognitive, technical, and behavioral components (Dessler, 2020).

Talent employee quality was measured through professional knowledge, work skills, positive attitudes and values toward work, career aspiration and achievement orientation, and organizational attachment. These dimensions were developed to reflect the combination of competence, commitment, contribution, aspiration, and organizational fit discussed in talent literature (Silzer & Dowell, 2010; Ulrich & Smallwood, 2012). Table 2 summarizes the variables, dimensions, and measurement scale.

Table 2. Variables, dimensions, and measurement scale

Variable	Dimensions	Theoretical basis	Scale
Transformational Leadership (X1)	Idealized influence; inspirational motivation; intellectual stimulation; individualized consideration	Bass; Bass & Riggio; Avolio & Bass	Ordinal

Variable	Dimensions	Theoretical basis	Scale
Employee Competence (X2)	Knowledge; skills; attitudes	Spencer & Spencer; Dessler; Noe	Ordinal
Talent Employee Quality (Y1)	Professional knowledge; work skills; positive attitudes and work values; career aspiration and achievement orientation; organizational attachment	Silzer & Dowell; Ulrich & Smallwood; Gallardo-Gallardo et al.	Ordinal

Source: Developed by the Author based on Literature Synthesis, 2024

Data collection and ethical considerations

Data collection was conducted through a survey of permanent employees. Respondents were informed that their participation was voluntary and that the data would be reported in aggregate form. No respondent names are reported in the manuscript. The study did not involve experimental intervention, medical treatment, or vulnerable participants. The ethical risk was therefore minimal, but confidentiality remained important because the research was conducted in companies operating in a competitive industrial sector.

The study also paid attention to common method bias because all primary variables were measured using a questionnaire. Procedural remedies were used by clarifying the research purpose, avoiding the collection of personally identifiable information in the manuscript, and separating constructs conceptually in the instrument. The issue is acknowledged because self-reported survey designs can be exposed to consistency motifs, social desirability, and single-source bias.

Data analysis

Data were analyzed using descriptive statistics, reliability testing, measurement-model evaluation, model-fit assessment, and structural equation modeling with LISREL 8.80. Structural equation modeling was selected because the research variables are latent constructs measured through several indicators. SEM allows simultaneous evaluation of measurement quality and structural relationships among latent variables (Kline, 2023).

Measurement quality was assessed through loading factors, t-values, and reliability coefficients. Model fit was interpreted using multiple indices, including NFI, NNFI/TLI, CFI, IFI, GFI, AGFI, RMSEA, and SRMR. The use of multiple fit indices is recommended because no single index is sufficient to represent model adequacy in all conditions (Hair et al., 2019). Hypotheses were tested by comparing the t-values of structural paths with the critical t-value of 1.9660 at the 5% significance level.

RESULTS AND DISCUSSION

Descriptive results

The descriptive results show that the three focal variables were in the moderate or adequate category. Transformational leadership obtained a mean score of 3.219, employee competence obtained a mean score of 3.245, and talent employee quality obtained a mean score of 3.336. These results suggest that employees perceived leadership, competence, and talent quality as present but not yet optimal. This condition is important for managerial interpretation because moderate scores indicate that companies still have substantial room for improvement.

The highest dimension of transformational leadership was inspirational motivation, while the lowest was individualized consideration. This pattern indicates that leaders were relatively more successful in communicating motivation and direction than in providing personalized developmental attention. In manufacturing settings, this gap matters because individual coaching can help employees improve specific technical and behavioral weaknesses. The highest dimension of employee competence was attitude, while the lowest was knowledge. This suggests that positive work discipline may already exist, but technical and conceptual knowledge still needs reinforcement. Talent employee quality showed the highest score on organizational attachment and the lowest score on professional knowledge. This means that employees may feel connected to the organization, but companies should still strengthen professional knowledge as a foundation for future talent development.

Table 3. Descriptive summary of research variables

Variable	Mean	Category	Highest dimension	Lowest dimension
Transformational Leadership	3.219	Moderate/adequate	Inspirational motivation (3.264)	Individualized consideration (3.183)
Employee Competence	3.245	Moderate/adequate	Attitude (3.304)	Knowledge (3.165)
Talent Employee Quality	3.336	Moderate/adequate	Organizational attachment (3.388)	Professional knowledge (3.245)

Source: Primary Data Processed, 2024

Reliability assessment

The reliability results show that all three focal variables met acceptable reliability criteria. Transformational leadership had a reliability coefficient of 0.888, employee competence had 0.902, and talent employee quality had 0.754. These results indicate that the measurement items were internally consistent and adequate for further SEM analysis. Employee competence had the highest reliability coefficient, suggesting strong internal consistency among the knowledge, skills, and attitude indicators.

Table 4. Instrument reliability

Variable	Reliability coefficient	Description
Transformational Leadership	0.888	Reliable
Employee Competence	0.902	Reliable
Talent Employee Quality	0.754	Reliable

Source: Primary Data Processed with LISREL 8.80, 2024

Measurement model

The measurement model results show that all main indicators had standardized loading factors above 0.70. This indicates that the observed indicators represented their respective latent constructs adequately. In transformational leadership, inspirational motivation had the highest loading factor (0.9015), indicating that this dimension was the strongest indicator of the leadership construct. Intellectual stimulation had the lowest loading factor (0.7277), although it remained acceptable. In employee competence, attitudes had the highest loading factor (0.8246), followed by skills (0.8151) and knowledge (0.8007). In talent employee

quality, organizational attachment had the highest loading factor (0.8613), followed closely by positive attitudes and values toward work (0.8580).

These measurement results have substantive implications. The dominance of inspirational motivation in the transformational leadership construct suggests that production employees may be especially responsive to leaders who communicate purpose, optimism, and confidence. The relatively strong role of attitudes in employee competence suggests that behavioral discipline is central to competence in automotive parts manufacturing. The strong loading of organizational attachment in talent employee quality indicates that talented employees are not only technically capable, but also psychologically connected to the organization.

Table 5. Summary of measurement-model loading factors

Item/Dimension	Loading factor	t-value	Indicator R ²
X11 - Idealized influence	0.7959	16.8874	0.6335
X12 - Inspirational motivation	0.9015	22.8274	0.8127
X13 - Intellectual stimulation	0.7277	15.7099	0.5295
X14 - Individualized consideration	0.8544	19.4214	0.7300
X21 - Knowledge	0.8007	18.6358	0.6411
X22 - Skills	0.8151	19.1336	0.6644
X23 - Attitudes	0.8246	19.4668	0.6800
Y11 - Professional knowledge	0.7880	12.9934	0.6209
Y12 - Work skills	0.8253	14.6638	0.6811
Y13 - Positive work attitudes/values	0.8580	15.9044	0.7362
Y14 - Career aspiration/achievement	0.7914	12.8572	0.6263
Y15 - Organizational attachment	0.8613	15.9621	0.7418

Source: Primary Data Processed with LISREL 8.80, 2024

Model fit

The model-fit results show that several indices met commonly used adequacy thresholds. NFI was 0.9095, NNFI/TLI was 0.9105, CFI was 0.9204, IFI was 0.9206, GFI was 0.9165, and AGFI was 0.9222. RMSEA was 0.0726, indicating an acceptable approximation error for a complex model. SRMR was 0.1022, which suggests that residual-based interpretation should be made cautiously. Taken together, the model had sufficient fit for theory-based interpretation, although the SRMR result indicates that future studies may refine indicators or test a more parsimonious model.

The use of several fit indices is important because SEM models with many variables and indicators may show different fit patterns depending on sample size, model complexity, and residual structure (Hair et al., 2019; Kline, 2023). The present model should therefore be interpreted as acceptable for the purpose of explaining the focal relationships, not as a perfect model. This cautious interpretation is important for journal submission because it shows that the findings are empirically supported while still recognizing the limitations of the model.

Table 6. SEM model fit indices

Index	Value
NFI	0.9095
NNFI/TLI	0.9105

Index	Value
CFI	0.9204
IFI	0.9206
GFI	0.9165
AGFI	0.9222
RMSEA	0.0726
SRMR	0.1022

Source: Primary Data Processed with LISREL 8.80, 2024

Hypothesis testing

The structural test results show that transformational leadership and employee competence both have positive and significant effects on talent employee quality. The path coefficient of transformational leadership was 0.2816 with a t-value of 5.1176. Since the t-value exceeded the critical value of 1.9660, H1 was accepted. This means that higher transformational leadership is associated with higher talent employee quality. The path coefficient of employee competence was 0.2526 with a t-value of 4.5843. Since the t-value also exceeded the critical value of 1.9660, H2 was accepted. This means that higher employee competence is associated with higher talent employee quality.

The full structural equation for the antecedent block in the dissertation model was: $Y1 = 0.2816X1 + 0.2526X2 + 0.2317X3 + 0.2238X4 + \text{error}$, with $R^2 = 0.7555$. In this equation, X1 represents transformational leadership, X2 represents employee competence, X3 represents creativity-innovation, X4 represents employee personality values, and Y1 represents talent employee quality. This article focuses its interpretation on X1 and X2. The R^2 value is reported transparently as the explanatory power of the full antecedent block, not as the explanatory power of only transformational leadership and employee competence. This distinction is necessary to maintain methodological accuracy.

Table 7. Hypothesis testing

Hypothesis	Relationship	Path coefficient	t-value	t-table	Decision
H1	Transformational leadership → talent employee quality	0.2816	5.1176	1.9660	Accepted
H2	Employee competence → talent employee quality	0.2526	4.5843	1.9660	Accepted

Source: Primary Data Processed with LISREL 8.80, 2024

Table 8. Direct, indirect, and total effects in the full antecedent block

Variable	Path coefficient	Direct effect	Indirect effect	Total effect
Transformational Leadership	0.2816	7.93%	13.80%	21.73%
Employee Competence	0.2526	6.38%	12.84%	19.23%
Creativity and Innovation	0.2317	5.37%	12.30%	17.67%
Employee Personality Values	0.2238	5.01%	11.91%	16.92%
Full antecedent block	-	24.69%	50.86%	75.55%

Source: Primary Data Processed with LISREL 8.80, 2024

Interpretation of the effect decomposition

The effect decomposition indicates that transformational leadership had the strongest total effect among the antecedents in the full model, with a total effect of 21.73%. Employee competence had the second strongest total effect, with a total effect of 19.23%. These values show that leadership and competence are central drivers of talent employee quality, although they operate together with creativity-innovation and employee personality values. Transformational leadership had a direct effect of 7.93% and indirect effects of 13.80% through other antecedents. Employee competence had a direct effect of 6.38% and indirect effects of 12.84% through other antecedents. This pattern indicates that the effects of leadership and competence are not isolated; they are embedded in a broader configuration of organizational and individual factors.

The interrelated nature of these effects is theoretically meaningful. Transformational leadership can influence talent quality directly by shaping motivation and attachment, but it may also work indirectly by encouraging competence use, creativity, and positive work values. Employee competence can influence talent quality directly through knowledge and skills, but it may also support talent quality indirectly when competent employees participate in innovation and develop stronger confidence. This is consistent with the idea that talent quality is a multidimensional construct formed by the interaction of leadership, capability, creativity, and personality-related values.

General discussion

The findings confirm that transformational leadership and employee competence are significant antecedents of talent employee quality in the automotive parts industry. This result is theoretically plausible because talent quality in manufacturing is not produced only by individual ability or formal HR programs. It is developed through daily leadership practices, job-based learning, technical skill formation, and employees' willingness to attach themselves to organizational goals. The findings also support the argument that talent should be understood as a configuration of competence, commitment, contribution, and potential rather than as a fixed personal label (Gallardo-Gallardo et al., 2013; Ulrich & Smallwood, 2012).

The manufacturing context gives special meaning to this finding. In service industries, talent may be observed through customer interaction, creativity, or relational capability. In automotive parts manufacturing, talent quality is more strongly tied to precision, consistency, process discipline, problem solving, and compliance with technical standards. This does not reduce the importance of creativity; instead, it shows that creativity must be integrated with technical competence and quality discipline. Employees become high-quality talent when they can maintain standards while also improving work processes.

Transformational leadership as a driver of talent employee quality

The first hypothesis was supported. Transformational leadership had a positive and significant effect on talent employee quality. The path coefficient of 0.2816 indicates that leadership has a meaningful role in shaping employee talent quality. The total effect of 21.73% further shows that transformational leadership was the strongest antecedent in the full model. This finding supports transformational leadership theory, which explains that leaders can elevate employee motivation, create shared vision, stimulate new thinking, and support individual development (Yukl & Gardner, 2020).

In automotive parts manufacturing, the role of transformational leadership can be interpreted through the four dimensions of the construct. Idealized influence encourages employees to trust leaders and imitate disciplined work behavior. Inspirational motivation helps employees interpret production targets and quality goals as meaningful collective objectives. Intellectual stimulation encourages employees to analyze defects, propose improvements, and challenge inefficient work routines. Individualized consideration supports employee development through coaching and attention to specific learning needs. These dimensions strengthen talent employee quality because they connect work discipline with motivation and learning.

The descriptive finding that individualized consideration was the lowest dimension provides an important managerial message. Leaders may already communicate motivational direction, but employees may still need more personalized coaching, feedback, and development support. In production settings, individualized consideration can take concrete forms such as daily feedback, mentoring by supervisors, structured skill coaching, and recognition of employees who improve work methods. Strengthening this dimension may increase professional knowledge, work skills, career aspiration, and organizational attachment.

Employee competence as a driver of talent employee quality

The second hypothesis was also supported. Employee competence had a positive and significant effect on talent employee quality, with a path coefficient of 0.2526 and total effect of 19.23%. This confirms that employee competence is not merely a requirement for routine performance, but also a foundation of talent quality. In automotive parts manufacturing, employees cannot be considered high-quality talent if they lack knowledge of products, skills in using tools and machines, or work attitudes aligned with quality and safety standards.

The strongest loading in employee competence was attitudes. This indicates that attitude is central to competence in this context. Manufacturing companies often require employees who are disciplined, responsible, careful, and willing to follow procedures. Technical knowledge is important, but technical knowledge cannot produce quality outcomes if it is not accompanied by positive work behavior. This finding is consistent with the competency view that superior performance is determined by a combination of knowledge, skills, and deeper personal characteristics.

The descriptive result that knowledge was the lowest competence dimension points to a concrete improvement area. Companies should strengthen technical knowledge through structured training, standard operating procedure refreshers, quality-standard education, and internal certification. Knowledge development should not be treated as a one-time orientation activity. It should be connected with skill matrices, periodic evaluation, and job rotation so that employees can understand the full production process. This approach is consistent with human capital theory because training and development increase the productive value of employees (Noe, 2020).

Integrating leadership, competence, and talent quality

The combined findings indicate that talent employee quality is shaped through a dual pathway: leadership activation and competence capacity. Leadership activation means that leaders create motivation, direction, and developmental support (Jensen & Bro, 2018). Competence capacity means that employees possess the knowledge, skills, and attitudes required to perform and develop. Talent quality becomes stronger when both pathways operate

together. Strong leadership without competence may produce enthusiasm without sufficient technical capability. Strong competence without supportive leadership may produce ability without commitment, aspiration, or organizational attachment (Waldan, 2020).

This interpretation is consistent with the resource-based view. Human resources become strategic only when the organization can develop and deploy them in ways that are valuable and difficult to imitate. Transformational leadership and competence development work together to create such value. Leadership helps convert individual capability into collective direction, while competence ensures that employees can contribute to quality, productivity, and problem solving. Talent employee quality is therefore not simply a personal trait but an organizationally shaped capability.

The findings are also consistent with strategic talent management literature. Collings and Mellahi (2009) argue that strategic talent management requires the identification of key positions and the development of talent pools that contribute to organizational performance. In the automotive parts industry, key talent pools may include operators, technicians, quality staff, maintenance workers, production supervisors, and employees who can support automation and continuous improvement. Developing such talent pools requires leaders who coach and employees whose competencies are continuously upgraded.

Managerial implications

The results offer several managerial implications for automotive parts companies. First, companies should develop transformational leadership at the supervisor and line-leader levels because these leaders interact directly with employees and shape daily work behavior. Leadership development should include coaching skills, communication of quality targets, problem-solving facilitation, and feedback-giving. Second, companies should strengthen competency-based HRM through competency mapping, skill matrices, training needs analysis, and periodic certification. Competence development should be linked with actual job requirements, not only with general training programs.

Third, talent development should be designed as a pipeline rather than as an exclusive label for a small group of employees. Companies need to identify employees with potential, strengthen their technical and behavioral competence, and provide career development opportunities. Fourth, professional knowledge should become a priority because it was the lowest dimension in both employee competence and talent employee quality. Fifth, individualized consideration should be strengthened because the descriptive results indicate that this leadership dimension was weaker than inspirational motivation. Leaders should not only motivate employees in general, but also understand individual development gaps.

Table 9. Managerial action agenda derived from the findings

Area	Recommended action	Expected contribution
Leadership development	Train supervisors in coaching, feedback, quality-target communication, and problem-solving facilitation.	Stronger motivation, learning climate, and organizational attachment.
Competency mapping	Develop skill matrices for operators, technicians, quality staff, and maintenance employees.	Clearer gap identification and targeted development.
Technical knowledge	Provide structured modules on product knowledge, process standards, IATF-based quality awareness, and work instructions.	Improved professional knowledge and defect prevention.

Area	Recommended action	Expected contribution
Talent pipeline	Identify high-potential employees and connect them with mentoring, job rotation, and certification.	More sustainable availability of talent for future positions.
Continuous improvement	Involve talented employees in kaizen, problem-solving teams, and root-cause analysis activities.	Better use of competence for productivity and process improvement.

Source: Developed by the Author based on Research Findings, 2024

Theoretical implications

The study provides several theoretical implications. First, it supports the integration of transformational leadership theory and competency-based HRM in explaining talent employee quality. Transformational leadership explains how the organizational-social environment shapes employee motivation, learning, and attachment. Competence theory explains how knowledge, skills, and attitudes create the capability foundation for talent quality. Second, the study strengthens the position of talent employee quality as a construct that can be measured through multiple dimensions rather than treated as an abstract label. Third, the findings extend talent management literature to the automotive parts manufacturing sector in Indonesia, where empirical evidence is still relatively limited.

The study also contributes to the contextualization of talent research. Talent does not have the same meaning in every industry. In automotive parts manufacturing, talent quality must be interpreted in relation to process discipline, precision work, compliance with quality systems, and adaptability to technology. This supports the argument that talent management should be contextualized according to industry requirements and organizational strategy (Vaiman et al., 2017). The same employee attributes that define talent in a creative industry may not fully define talent in component manufacturing. Contextualization is therefore essential for both theory and practice.

Limitations and future research

This study has several limitations. First, the article focuses on two antecedents from a larger dissertation model. Creativity-innovation and employee personality values were included in the full model but were not the main focus of this manuscript. Future research can test a more parsimonious model using only transformational leadership and employee competence as predictors, or compare alternative models that include mediators such as work engagement, learning climate, or continuous improvement culture. Second, the study used cross-sectional survey data, so causal interpretation should be made carefully even though the model is theory-driven.

Third, the study used employee survey responses, which may be influenced by common method bias. Future research can combine employee survey data with supervisor ratings, objective production indicators, training records, or quality metrics. Fourth, the study was conducted in the Bekasi-Karawang-Purwakarta industrial corridor. Future studies can compare different industrial regions, different automotive subsectors, or firms with different levels of automation. Fifth, future research may examine whether competency-based learning and development strengthens the relationship between talent employee quality and performance, because this mechanism is central to the larger dissertation model.

CONCLUSION

This study concludes that transformational leadership has a positive and significant effect on talent employee quality in automotive parts manufacturing companies in Bekasi, Karawang, and Purwakarta. Employee competence also has a positive and significant effect on talent employee quality. The effect of transformational leadership is slightly stronger than the effect of employee competence, as shown by its higher path coefficient and total contribution. These findings indicate that talent employee quality is shaped by both organizational leadership behavior and individual work capability. The study confirms that leaders who provide vision, inspiration, intellectual stimulation, and individualized consideration can strengthen the quality of talented employees. It also confirms that employees with stronger knowledge, skills, and work attitudes are more likely to demonstrate higher talent quality. Automotive parts companies should develop transformational leadership at supervisor and line-leader levels through coaching, quality communication, problem-solving facilitation, and feedback, while strengthening competency-based HRM through mapping, skill matrices, training analysis, and certification. HR managers should design talent development as a pipeline, prioritize professional knowledge, and strengthen individualized consideration. Policymakers should support leadership development and competency training to enhance industrial competitiveness. Future research should test parsimonious models, examine mediators like work engagement, combine surveys with objective data, and explore different regions or subsectors.

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