



The Influence of Talent Management and Transformational Leadership: A Study on Work Effectiveness as Mediated by Employee Engagement



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Abstract

This study aims to analyze the influence of talent management and transformational leadership on work effectiveness, directly or indirectly, through employee engagement mediation. It was conducted in the Regional Office of the Directorate General of Taxes for Large Taxpayers- Jakarta, Indonesia. Data collection is done by purposive sampling of employees with main tasks directly related to the organization's core business. This study uses a quantitative approach. Data processing uses Structural Equation Modeling based on Partial Least Square with the help of SmartPLS 3.0 software. The results show that talent management and transformational leadership have a significant and positive effect on work effectiveness, either directly or indirectly, through employee engagement mediation. In addition, employee engagement acts as a partial mediation between the independent and dependent variables. This research is expected to encourage the increased application of talent management policies and transformational leadership in the public sector in Indonesia. The results show that talent management and transformational leadership have a significant and positive effect on work effectiveness, either directly or indirectly, through employee engagement mediation. In addition, employee engagement acts as a partial mediation between the independent and dependent variables. This research is expected to encourage the increased application of talent management policies and transformational leadership in the public sector in Indonesia. The

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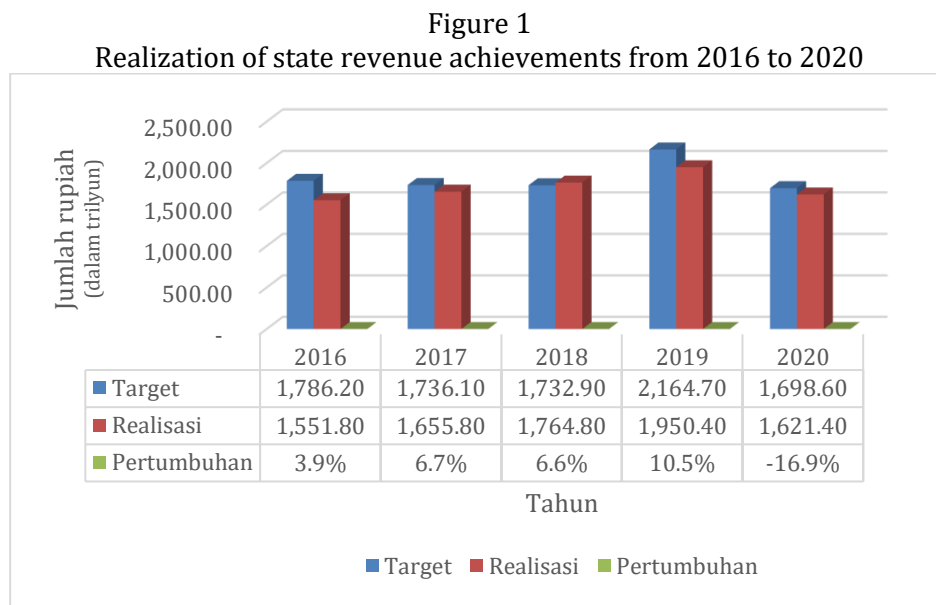
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1. Introduction

It is estimated that this pandemic will inflict economic damage on an unprecedented scale (Goodell, 2020; BPS, 2020). To be able to overcome and recover the socio-economic impact of the pandemic, of course, a large amount of funding is needed. In addition, the current government's massive development policies in various fields, such as infrastructure development and the relocation of the state capital, are increasingly adding to the burden of state spending. Therefore, optimal state revenue is essential to support the government's program.

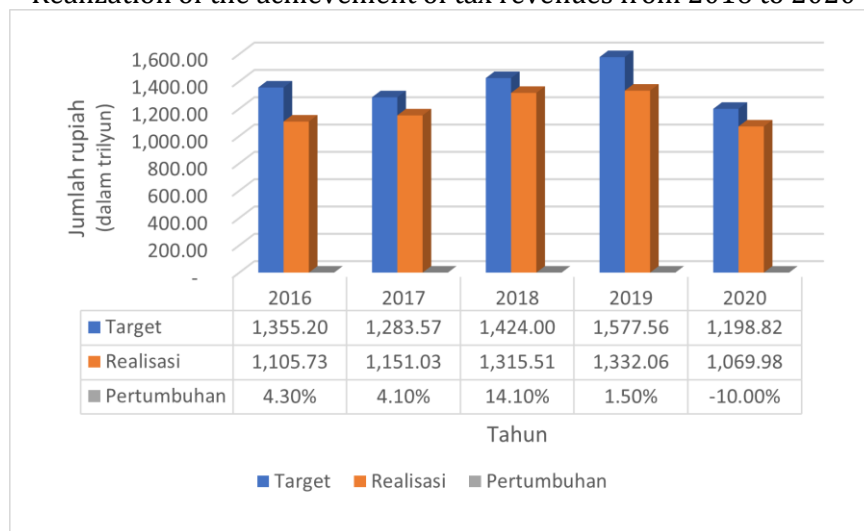
Unfortunately, the realization of state revenues each year, as shown in Figure 1, fluctuates and rarely reaches the target mandated by the State Revenue and Expenditure Budget (APBN). Based on APBN data, more than 70% of state revenue comes from tax revenues managed by the Directorate General of Taxes. This condition is in line with the trend of countries around the world that make the tax sector the most significant contributor to state revenue (Ortiz-Ospina & Roser, 2018; Prichard et al., 2014). Based on these data, it can be concluded that the effectiveness of the government's work in collecting state revenues from the taxation sector influences its effectiveness in collecting state revenues as a whole.



Source: processed from the Ministry of Finance performance report (2021)

For this reason, the Directorate General of Taxes is expected to show good work effectiveness so that state revenues can be achieved optimally and development can run smoothly. Unfortunately, like state revenue, tax revenue also shows unsatisfactory results. Tax revenues in the last 12 (twelve) years experienced a shortfall or failed to reach the target imposed by the APBN. Even tax revenue in 2020 grew -10% (minus ten percent). The data in Figure 2 shows the achievement of tax revenues in the last five years. In addition, other performance indicators such as service satisfaction surveys also showed a downward trend in the last year. Based on statistical data from the OECD, as shown in Figure 3, Indonesia's tax ratio has decreased yearly. Indonesia's tax ratio has also been named the lowest in the Southeast Asia region and the Asia Pacific region (Olivia, 2019 & OECD, 2019)

Figure 2
Realization of the achievement of tax revenues from 2016 to 2020



Source: Processed from DGT's financial report (2021)

Figure 3
Indonesia's Tax Ratio 2016 to 2020



Source: processed from DGT performance report (2021)

Based on its performance report, it is stated that the DGT's performance score since 2016 has always been above 100 (perfect). This shows that, in general, the main problems faced by DGT are not related to performance. It is considering that from the perspective of the four leading performance indicators, DGT only did not achieve the maximum value in one performance perspective, namely the stakeholder perspective, which contains the achievement of tax revenues. McShane & Glinow (2017) states that an organization is said to be effective if it can meet the needs of its key stakeholders. In addition, in the management science literature, it is stated that the performance or productivity of the organization in achieving its goals is influenced by the effectiveness and efficiency of the organization (Robbins & Judge, 2017 and Tewal et al., 2017). DGT has no problems in terms of efficiency, especially regarding the budget; even in 2020, DGT can save more than 1 trillion rupiahs the budget (Wildan, 2021). Thus, the fluctuating achievement of tax revenues and the decline in organizational performance indicators should be suspected due to the low effectiveness of the DGT's work in achieving its primary goal, namely to collect optimal tax revenues.

Work effectiveness is defined as carrying out work activities that will help the organization achieve the goals that have been set (Robbins & Coulter, 2017). Work effectiveness is related to outcomes and/or outputs, and the focus is on doing the right things (Mullins, 2005; McShane & Glinow, 2017). Based on several research results, it is stated that the success or failure of an organization in achieving its goals is strongly influenced by the work effectiveness of employees in particular and the organization in general (Garcia-Sanchez et al., 2013; Masra et al., 2020; Rahmawati et al., 2021; Rizanuddin, 2020; Samosir et al., 2021 and Tanesab & Park, 2020). Within the scope of public sector organizations, effectiveness is usually related to formulating and implementing quality policies and carrying out tasks following existing procedures (Duho et al., 2020). Empirical evidence shows that increasing government effectiveness will result in high economic growth, increased state revenues and foreign investment, social infrastructure, public investment, a quality procurement system, and reduced corruption (Garcia-Sanchez et al., 2013).

Based on the literature study, many variables affect work effectiveness but are based on the results of an internal survey on the research object. It can be concluded that several variables that most influence work effectiveness are talent management and transformational leadership, so this study will confirm the effect of talent management and transformational leadership variables on work effectiveness. The employee engagement variable is used as a mediating variable based on interviews with HR management officers in the DGT environment and internal reports stating that employee engagement decreased during the pandemic.

Talent management is an integrated process to ensure that an organization can recruit, retain and motivate the talented employees it needs to achieve its goals. The talent management process includes planning and developing succession in the company, realizing the development and utilization of talent optimally (Rampersad, 2006 and Armstrong, 2016). Based on the results of pre-research, talent management is a policy that affects the work effectiveness of DGT employees. As the only formal door for employee career development, talent management policies are felt to still have an element of closeness and influence from other parties. This causes employee disappointment, so they do not try optimally in their work. In addition, as a new policy, talent management is considered inconsistent. Terms, conditions, and stages of talent management implementation often change yearly. Moreover, the DGT's talent management policy is a type of exclusive talent management that only focuses on a small number of employees with extraordinary performance with a limited number of target positions. (O'Connor & Crowley-Henry, 2019). These things cause employees to be unable to prepare themselves properly and are not valued objectively, so they often feel it is useless to work optimally. In the end, these impacts decreasing the effectiveness of employees' work in achieving

organizational goals. This relationship is supported by several previous studies, such as research conducted by Rani & Kumar (2018)

Transformational leadership is described as charismatic leadership, creating change, encouraging creativity, providing inspirational motivation, and supporting and guiding followers to achieve the organization's vision and goals. (Bass & Avolio, 1990 and Mahmood et al., 2019). Based on the results of pre-research, transformational leadership-which has elements of charismatic leadership (idealized influence), inspirational motivation, intellectual stimulation, and individualized consideration (Bass, 1999; Bass & Riggio, 2006)- it is the type of leadership that employees desire so that it affects their work effectiveness. This is shown by various employee complaints related to superiors, all of which lead to this leadership characteristic. The nature and style of this leader make employees less enthusiastic and ultimately result in decreased work effectiveness. Moreover, at this time, the DGT is incessantly launching the third volume of tax reform, so it requires a leader who is willing and able and supports the change. A leader with a transformational leadership style is considered to affect employee effectiveness. In addition, based on the research of Dwiedienawati et al. (2020), it is mentioned that when facing a crisis with high uncertainty, this type of transformational leadership proves effective. In addition, in the government sector, transformational leadership is one of the main factors influencing good governance (Dema et al., 2021). The significance of the effect of this variable is supported by several previous studies, such as the research of Kasritong & Luengalongkot (2020).

Employee engagement is when employees contribute optimally both physically, cognitively, and emotionally to work and organizational success (Dessler, 2015; Bakker & Schaufeli, 2008; Kahn, 1990). Empirically, the problems in the two previous variables, namely talent management, and transformational leadership, lead to employee engagement, affecting work effectiveness. Talent management policies that still contain proximity and inconsistent factors will make employees disappointed and feel less attached to the organization, so it can reduce employee engagement levels. Likewise, the employee will be more distant from the organization, so the level of engagement will decrease. This finding is in line with the Ministry of Finance's main HR report, which states that employee engagement has decreased during the pandemic (Sari & Finaldo, 2021). Ultimately, these two problems will lead to work effectiveness (Compen et al., 2021; Jha et al., 2019; Mallika & Polumuri Lova Kumar, 2020; Singh & Singh, 2021); Copiah et al., 2020). In addition, employee engagement also acts as a mediation between transformational leadership and work effectiveness (Ricardianto et al., 2020) and between talent management variables and work effectiveness (Ali et al., 2019).

The effectiveness of DGT's work is essential, not only for DGT internally but also for this nation and state. DGT is responsible for more than 70% of the state's revenue sources (State Budget Law, 2020). Especially during the current pandemic, state revenue is significant to support government policies in overcoming the pandemic and its impacts. For this reason, DGT needs to identify factors that affect work effectiveness. The author hopes that this research can provide constructive input and suggestions to improve work effectiveness in the DGT environment to achieve its organizational goals, namely optimal tax revenue.

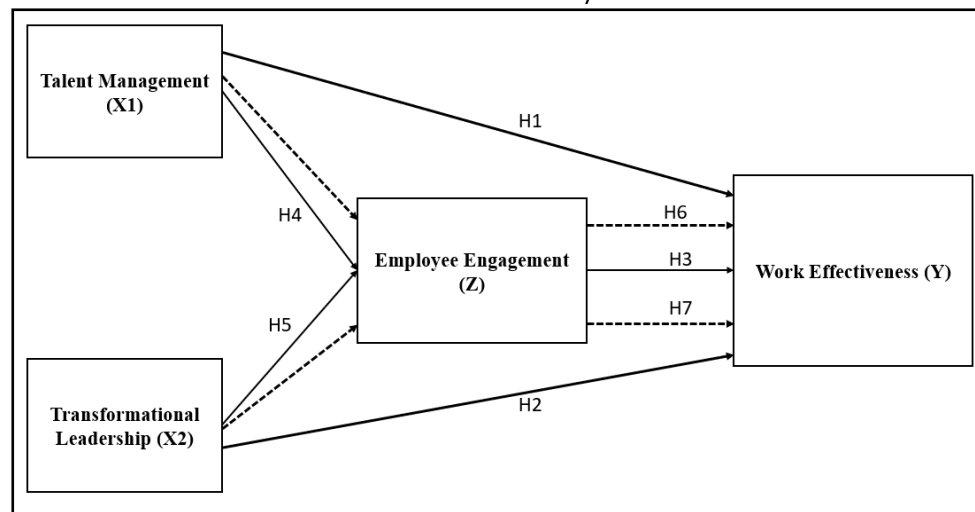
2. Materials and Methods

This study uses a causal method which is carried out to test whether one variable causes another variable to change or not and to explain one or more factors that cause the problem. (Nowadays, 2017). This research is also quantitative, which is carried out by collecting data using research instruments on a particular population or sample. The data analysis is quantitative or statistical, intending to test the established hypothesis (Sugiyono, 2017). Furthermore, the data was processed

using the Structural Equation Modeling (SEM) analysis technique with the Partial Least Square (PLS) approach with the help of SmartPLS 3.0 software. PLS is designed to solve multiple regression when there are specific problems with the data, such as small sample sizes (Abdillah & Hartono, 2015).

The population in this study were executive-level employees at the regional office of the DGT Large Taxpayers. Sampling with nonprobability sampling and purposive sampling method with the type of *judgment sampling*. The criteria used as respondents are employees who have main tasks directly related to the performance of tax revenues which are the background of the problems in this study. Data was collected using a questionnaire method circulated both online and offline with formal permission from the relevant officials. In a five-point Likert scale questionnaire, the middle alternative is considered not to have a significant effect on data quality and enriches the data variation (Widhiarso, 2010). Questionnaires or research instruments are considered reliable and valid in the test of 30 respondents. The results of the validity test using the Pearson product-moment method on work effectiveness, talent management, transformational leadership, and employee engagement instruments show that the *r*-count value is greater than the *r*-table for all statement items are declared valid. The reliability test results by comparing the Cronbach Alpha values on all variables are above 0.9 or have high reliability. The results of data collection obtained 190 questionnaires filled out completely. This amount is considered sufficient following the opinion of Ghazali & Latin (2015) and sample count with the sloving formula. The model or research framework proposed is as follows.

Figure 4
Research framework/model



Source: processed from various sources

3. Results and Discussions

3.1. Analysis Description

Respondents' characteristics and profiles include gender, age, education level, years of service, rank/class, position, and work unit. In terms of gender, men dominate with 65%. This statistic illustrates the proportion of DGT employees whom men indeed dominate. Employees aged between

33 and 41 years dominated with 58%. Strata 1 or diploma IV is the education level of the majority of respondents with 64%.

Furthermore, most respondents are senior employees who have served more than ten years, with a total of 95%. In terms of rank/class, the composition of respondents is pretty even, with the majority of employees ranked III.d with 38%, followed by III.b, III.c, and III.a with 25%, 19%, and 17%, respectively. In addition, the majority of respondents are employees with account representative positions, 60%. This number corresponds to the proportion of the number of account representatives who dominate the population. Furthermore, most respondents came from the KPP for Large Taxpayers II and the Regional Office of the DGT for Large Taxpayers with 23% each. In comparison, other work units contributed respondents with an even number of 18% for each work unit.

3.2. Outlier Data Test

As a nonparametric statistical method, SEM PLS does not require the data to be normally distributed. However, it is essential to ensure that the data are not too far from the normal distribution before performing data analysis. Parameter significance testing can be problematic if the population contains data with extreme values or is too far from the normal distribution. Data with extreme values have been shown to cause the standard error to be very high, reducing the possibility of path significance being detected (Hair et. al., 2017; Sholihin & Ratmono, 2021). To detect outlier data, is done by using the z-score value of each sample data. Based on the data test, the z-score value ranges from -3.43 to 1.78, so it can be concluded that there is no outlier data because it is still in the z-score threshold, according to the opinion of Hair et al. (2010).

3.3. Outer model test results

a. Convergent Validity Test Results

Convergent validity test was carried out with loading factor/outer loading with rule of thumb criteria above 0.70. Based on the results of data processing using SmartPLS 3.0, the outer loading value for the majority of items is above 0.70. Meanwhile, a small number of items (10 items) with an outer loading value below 0.70 were decided to be reduced and not included in further analysis. In addition, the convergent validity test was also carried out with the Average Variance Extracted (AVE) and/or Communality values with a rule of thumb more than 0.5. In this study, the AVE value for all constructs was between 0.628 to d. 0.696 so it can be concluded that the research model has good convergent validity

b. Reliability Test

y Test Results

In this study, the reliability test will be carried out using two methods: Cronbach's alpha dan Composite reliability (Abdillah & Hartono, 2015). The reliability test in this study will be carried out by looking at the two values with a rule of thumb greater than 0.70. The reliability test results can be seen in table one below, where all constructs are concluded to have good reliability.

Table 1
Reliability Test Results

Variable	Cronbach's alpha	Composite reliability	Rule of Thumb	Decision
<i>Work effectiveness</i>	0.957	0.962	0.7	Reliable
<i>talent management</i>	0.925	0.939	0.7	Reliable
<i>Transformational leadership</i>	0.937	0.948	0.7	Reliable
<i>Employee engagement</i>	0.938	0.948	0.7	Reliable

Source: Primary data processed with Smart PLS (2022)

c. Discriminant Validity test results

In this study, the discriminant validity test was measured by several tests. First, it is measured by looking at the cross-loading value of each variable with a rule of thumb greater than 0.70. Second, by looking at the square root of AVE and the correlation between latent constructs with the criterion that the square root of AVE is greater than the correlation between latent constructs. Finally, the discriminant validity test was carried out by looking at the Heteroiti-monotrait Ratio (HTMT) value with a rule of thumb smaller than 0.90 (Ghozali & Latan, 2015). Based on the test results, it can be concluded that the research model meets all of the above criteria, so it can be concluded that it has good discriminant validity.

3.4. Inner Model test results

Evaluation of the structural model (inner model) in this study was carried out by conducting several tests, including the R², Q², Collinearity, and influence tests between variables which also served as a means to test the research hypothesis. The results of the R² test show that the adjusted R² value for the work effectiveness variable is 0.759. This means that other variables can explain 75.9% of the variation in the work effectiveness variable. In addition, the R² value also shows that this research model is a robust model both according to the criteria of China (1998) and Hair et al. (2011).

The results of the Q² test get a Q² value above 0. Thus, it can be concluded that this research model has met good predictive relevance where the model has been reconstructed correctly. The results of the collinearity statistics (VIF) test found that the VIF value for the entire construct was below 5, so it can be concluded that there was no multicollinearity between the constructs of the research model. While the results of the fit model test can be seen in Table 2, where it can be concluded that the measurement model (outer model) with the structural model (inner model) is feasible or valid and has a good fit model.

Table 2
The goodness of Fit Test Results and Model Fit

Test Type	Score	Rule of Thumb	Decision
<i>Goodness of Fit</i>	0.667	>0.36	Big GoF
SRMSR	0.055	<0.08	Good fit model
RMSttheta	0.136	Close to 0	Good fit model

Source: Primary data processed with Smart PLS (2022)

3.5. Hypothesis Testing Results

In SmartPLS, hypothesis testing is part of the inner model test, which is carried out using the bootstrapping technique. Hypothesis testing is done to determine the direct or indirect relationship between variables. The T Statistics and P Values values for each relationship or path will be obtained from the bootstrapping calculation. Testing this hypothesis is set with a significance level of 0.05. The hypothesis can be accepted if the T statistic value is more significant than 1.96 and/or has P Values less than 0.05. The results of the path coefficient test are shown in table 3 below:

Table 3
Path Coefficient Test Results

No	Construct	Test Result Value			Rule of Thumb		Results
		Original Sample	T Statistics	P Values	Sig. 5%	P Values	
H1	<i>Talent management -> work effectiveness</i>	0.240	3.567	0.000	>1.96	<0.05	Received
H2	<i>Transformational leadership -> work effectiveness</i>	0.314	3,404	0.000	>1.96	<0.05	Received
H3	<i>Employee engagement -> work effectiveness</i>	0.408	5.576	0.000	>1.96	<0.05	Received
H4	<i>Talent management -> employee engagement</i>	0.283	3.656	0.000	>1.96	<0.05	Received
H5	<i>Transformational leadership -> employee engagement</i>	0.515	6.236	0.000	>1.96	<0.05	Received
H6	<i>Talent management -> employee engagement -> work effectiveness</i>	0.115	3.113	0.001	>1.96	<0.05	Received
H7	<i>Transformational leadership -> employee engagement -> work effectiveness</i>	0.210	3,947	0.000	>1.96	<0.05	Received

Source: Primary data processed with Smart PLS (2022)

Based on the hypothesis test results above, it can be concluded that all hypotheses are accepted in the sense that all paths have a significant and positive influence. The more detailed discussion is as follows.

H1: there is a significant influence between talent management on work effectiveness.

Based on table 3, it is known that the relationship between the two constructs has a T Statistics value of 3,567, which is greater than 1.96, and a P-Value of 0.000 which means less than 0.05. A positive coefficient value indicates that the direction of the relationship is positive. Thus, it can be concluded that the talent management variable significantly affects work effectiveness in a positive direction. This conclusion supports the results of previous research conducted by Obeidat et al.

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(2018), Yassin & Jaradat (2020), Ogbu & Dialoke (2017), Rani & Kumar (2018), and Raheem & Khan (2019), which state that talent management has a significant effect on work effectiveness. This means that the better, objective and transparent implementation of talent management policies at DGT will increase work effectiveness through the selection and development of employees and promotions to appropriate positions and following the organization's needs. The talent management policy implemented by the DGT is a type of exclusive talent management that only focuses on a small number of employees who perform exceptionally (O'Connor & Crowley-Henry, 2019). Therefore, every employee wants clear and consistent rules in order to prepare themselves to be able to compete and compete well.

H2: there is a significant effect between transformational leadership on work effectiveness.

Based on table 3, it is known that the relationship between the two constructs has a T Statistics value of 3,404, which is greater than 1.96, and a P-Value of 0.000, which is smaller than 0.05. A positive coefficient value indicates that the direction of the relationship is positive. Thus, it can be concluded that the transformational leadership variable significantly positively affects work effectiveness. This conclusion supports the results of previous research conducted by Kasritong & Luengalongkot (2020), Mukhtar et al. (2020), and Syarifa et al. (2020), Ricardianto et al. (2020), and Prasadja Ricardianto et al. (2020) which states that transformational leadership influences work effectiveness. This means that the better and broader the application of the transformational leadership style within the DGT environment, the more practical work will be. Especially nowadays, public sector organizations are currently aggressively implementing various changes. Transformational leadership is needed to encourage employees to see every change as an opportunity they can increase work effectiveness.

H3: there is a significant effect between employee engagement on work effectiveness.

Based on table 3, it is known that the relationship between the two constructs has a T Statistics value of 5.576, which is greater than 1.96, and a P-Value of 0.000, which is smaller than 0.05. A positive coefficient value indicates that the direction of the relationship is positive. Thus, it can be concluded that the employee engagement variable significantly positively affects work effectiveness. This conclusion supports the results of previous research conducted by Compan et al. (2021), Mehmood et al. (2017), Immortal & Mighty (2020), Mallika & Polumuri Lova Kumar (2020), Jha et al. (2019) and Ali et al. (2019) which states that employee engagement has a significant effect on work effectiveness. This means that the higher the level of employee engagement within the DGT environment, the higher the work effectiveness. Work effectiveness is one of the benefits of employee engagement. A high level of engagement will encourage employees to focus and devote all their energy and abilities to achieve organizational goals and work effectiveness.

H4: there is a significant influence between talent management on employee engagement.

Based on table 3, it is known that the relationship between the two constructs has a T Statistics value of 3.656, which is greater than 1.96, and a P-Value of 0.000, which is smaller than 0.05. A positive coefficient value indicates that the direction of the relationship is positive. Thus, it can be concluded that the talent management variable significantly positively affects employee engagement. This conclusion supports the results of previous research conducted by Badshah Hussain et al. (2021), Sugiono (2021), Sophia et al. (2020), Yuniati et al. (2021), Goestjahjanti et al. (2020), and Setia (2021) which states that talent management has a significant effect on employee engagement. This means

that the better, objective, and transparent implementation of talent management policies at DGT will increase employee engagement. Good talent management practices will make employees feel more valued and recognized, which will increase their commitment and engagement.

H5: there is a significant effect between transformational leadership on employee engagement.

Based on table 3, it is known that the relationship between the two constructs has a T Statistics value of 6236, which is greater than 1.96, and a P-Value of 0.000, which is smaller than 0.05. A positive coefficient value indicates that the direction of the relationship is positive. Thus, it can be concluded that the transformational leadership variable significantly positively affects employee engagement. This conclusion supports the results of previous research conducted by Amor et al. (2020), Nguyen (2020), Milhem et al. (2019), and Arokiasamy & Tat (2020), which states that transformational leadership has a significant effect on work effectiveness. This means that the broader and better the application of the transformational leadership style within the DGT environment, the higher employee engagement will be. Transformational leadership that plays an ideal leader role model, stimulating and encouraging creativity, providing inspirational motivation, and supporting and guiding followers will directly impact employee engagement.

H6: there is a significant influence between talent management on work effectiveness through employee engagement mediation.

Based on table 3, it is known that the relationship between these constructs has a T Statistics value of 3.113, which is greater than 1.96, and a P-Value of 0.001, which is smaller than 0.05. A positive coefficient value indicates that the direction of the relationship is positive. Thus, it can be concluded that the talent management variable significantly positively affects work effectiveness through employee engagement mediation. In addition, based on the Variance Accounted For (VAF) calculation, the value is 0.325, so it can be concluded that employee engagement acts as a partial mediation (Ghozali & Latan, 2015). This conclusion supports the results of previous research conducted Sophia et al. (2020), Ali et al. (2019), Humaid (2018), and Yuniati et al. (2021), which state that talent management has a significant effect on work effectiveness through the mediation of employee engagement. *Employee engagement*, in this case, acts as a partial mediation that strengthens the significance of the influence between the variable talent management and work effectiveness. This means that the better, objective and transparent implementation of talent management policies at DGT will increase employee engagement, which will encourage optimal work effectiveness.

H7: there is a significant effect between transformational leadership on work effectiveness through employee engagement mediation.

Based on table 3, it is known that the relationship between these constructs has a T Statistics value of 3,947, which is greater than 1.96, and a P-Value of 0.000, which is smaller than 0.05. A positive coefficient value indicates that the direction of the relationship is positive. Thus, it can be concluded that the transformational leadership variable significantly positively affects work effectiveness through employee engagement mediation. In addition, based on the Variance Accounted For (VAF) calculation, a value of 0.401 was obtained, so it can be concluded that employee engagement acts as a partial mediation (Ghozali & Latan, 2015). This conclusion supports the results of previous research conducted by Ratnaningtyas et al. (2021), Buil et al. (2019), Ricardianto et al. (2020), and Prasadja

Ricardianto et al. (2020), which state that transformational leadership has a significant effect on work effectiveness through the mediation of employee engagement. *Employee engagement*, in this case, acts as a partial mediation that strengthens the significance of the influence between transformational leadership variables and work effectiveness. This means that the broader and better application of the transformational leadership style within the DGT will strengthen employee engagement, increasing the effectiveness of employees' work.

4. Conclusion

This study analyzes the influence between talent management and transformational leadership on work effectiveness, directly or indirectly, through employee engagement mediation. The study results conclude that there is a significant and positive influence between talent management and transformational leadership on work effectiveness within the DGT Regional Office for Large Taxpayers, either indirectly or indirectly, through employee engagement mediation. Employee engagement in this study acts as a partial mediation between endogenous and exogenous constructs. This result means that implementing an objective and consistent talent management policy will increase the effectiveness of employees' work, either directly or through increased employee engagement. Applied type *exclusive talent management* encourages employees to compete to improve their work effectively to enter the talent basket.

On the other hand, applying a transformational leadership style that sets an example encourages creativity and intellectuality. It pays attention to employee needs and makes employees enthusiastic about working so they can work effectively. In addition, this leadership style also encourages employee commitment and attachment to the organization. It has an impact on increasing employee engagement which in turn encourages an increase in work effectiveness.

Based on these conclusions, to increase work effectiveness and achieve optimal tax revenue, the DGT needs to increase the objectivity and consistency of implementing talent management policies. In addition, the expansion of the transformational leadership style is essential for increasing work effectiveness during a wave of changes carried out by the DGT with the title of reform. For this reason, DGT needs to encourage the expansion of the application of this leadership style, either through training or making it a mandatory requirement for employees who will be promoted. In addition, the findings of this study reveal the need for further research with more diverse research objects, especially in public sector organizations considering that in Indonesia, there are two types of civil servants, namely central and regional. Furthermore, considering talent management is a relatively new policy in public sector organizations, it is still rare to find quantitative research on this variable. It is necessary to conduct research involving this variable to enrich the literature. Finally, the influence of the environment, in this case, the COVID-19 pandemic, is considered very influential in all aspects of life. Therefore, any further research needs to consider including environmental influences as a research variable.

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