

The Role of Organizational Commitment in Mediating the Effect of Transformational Leadership on Employee Performance at the Pratama Tax Service Office Medan Belawan

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Abstract

Employee performance is a strategic factor in determining the success of public sector organizations, especially in tax agencies that have high performance demands, regulatory complexity, and strict state revenue targets. This study aims to analyze the influence of transformational leadership on employee performance and examine the role of organizational commitment as a mediating variable at the Medan Belawan Primary Tax Office. This study uses a quantitative approach with a survey method. The research population consisted of all 100 permanent employees of the Medan Belawan Primary Tax Office, all of whom were included in the sample (census). Data were collected through questionnaires and analyzed using the Partial Least Squares (PLS) method with the help of SmartPLS. The results showed that transformational leadership had a positive and significant effect on employee performance and organizational commitment. Furthermore, organizational commitment was proven to have a positive and significant effect on employee performance. The results of the indirect effect test showed that organizational commitment acted as a significant mediating variable in the relationship between transformational leadership and employee performance. These findings indicate that transformational leadership will be more effective in improving employee performance if it is able to build and strengthen organizational commitment. This study provides theoretical contributions to the development of human resource management in the public sector, particularly regarding the role of leadership and organizational commitment. Practically, the results of this study are expected to be taken into consideration by the leadership of KPP Pratama Medan Belawan in formulating leadership strategies oriented towards continuously improving employee commitment and performance.

Keywords: Transformational Leadership, Organizational Commitment, Employee Performance

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Introduction

Employee performance is a strategic factor that determines the success of public sector organizations in achieving their goals of effective service and governance. In tax agencies, particularly the Medan Belawan Tax Office (KPP), employee performance plays a crucial role in supporting the optimization of state revenue, improving the quality of service to taxpayers, and achieving the key performance indicators of the Directorate General of Taxes. High revenue targets, complex tax regulations (), and dynamic policy changes require employees to work professionally, with discipline, and with a focus on results.

One factor believed to have a strong influence on improving employee performance is transformational leadership. Transformational leadership emphasizes the leader's ability to provide a clear vision, set an example, provide inspirational motivation, and encourage the development of subordinates' individual potential. Robbins and Judge (2020) state that transformational leadership can improve employee performance by changing the values, attitudes, and behaviors of employees to align with organizational goals. In the context of public organizations, this leadership style is considered effective because it can build trust, commitment, and employee morale amid bureaucratic pressures and high performance demands.

Various empirical studies show that transformational leadership has a positive and significant effect on the performance of public sector employees. Riyanto, Endri, and Herlisha (2022) found that transformational leaders are able to create a conducive work environment, increase intrinsic motivation, and encourage employees to work beyond the set standards. However, the influence of transformational leadership on employee performance is not always direct, but is often influenced by psychological factors and employee work attitudes.

One important psychological variable in bridging the relationship between leadership and performance is organizational commitment. Organizational commitment reflects the level of emotional attachment, loyalty, and desire of employees to remain part of the organization and contribute optimally. Wibowo (2022) explains that employees with high organizational commitment tend to perform better, have a strong sense of responsibility, and are willing to go the extra mile for the benefit of the organization. In a demanding work environment such as KPP Pratama Medan Belawan, organizational commitment is an important asset for maintaining consistency and sustainability in employee performance.

Transformational leadership is believed to be capable of building and strengthening organizational commitment. Leaders who are able to set an example, give individual attention, and recognize employee contributions will increase employees' sense of belonging and pride in the organization. Research by Sihombing and Hutapea (2022) shows that organizational commitment acts as a mediating variable in the relationship between transformational leadership and employee performance in government agencies. This means that transformational leadership will be more effective in improving performance if it is followed by an increase in employee organizational commitment.

Although many studies have been conducted on transformational leadership, organizational commitment, and employee performance, research that specifically examines the role of organizational commitment as a mediating variable in the relationship between transformational leadership and employee performance in the tax agency environment, particularly at the Medan Belawan Tax Office, is still relatively limited. In fact, the characteristics of work at the Tax Office, which demand high accuracy, integrity, and intensive interaction with taxpayers, make the role of leadership and organizational commitment very strategic to study in depth.

Based on this description, this research is important to analyze the influence of transformational leadership on employee performance and to examine the role of organizational commitment as a mediating variable at the Medan Belawan Tax Office. The results of this study are expected to contribute theoretically to the development of public sector human resource

management science, as well as provide a practical basis for KPP leaders in formulating effective leadership strategies to improve employee performance in a sustainable manner.

Literature Review Employee Performance Definition of Employee Performance

According to Robbins & Judge (2020), employee performance can be defined as behavior that contributes to the achievement of organizational goals, which is usually measured based on the achievement of the desired results by the organization or company.

Factors Affecting Employee Performance

Factors that Influence Employee Performance according to Robbins & Judge (2020):

- 1) Ability: The skills, knowledge, and competencies possessed by employees to carry out their duties.
- 2) Motivation: The drive to work to the best of one's ability, whether from internal or external factors.
- 3) Work Environment: The physical and social conditions in the workplace that support or hinder performance.
- 4) Leadership: The leadership style applied by superiors can improve or reduce employee performance.
- 5) Compensation: Rewards or recognition received by employees for their performance.

Employee Performance Indicators

According to Robbins & Judge (2020) in their book "Organizational Behavior," employee performance indicators are measures used to assess the extent to which employees are successful in carrying out their duties and meeting organizational goals. Employee performance can be evaluated based on several indicators that cover the following aspects:

- 1) Quality of Work
Measures the extent to which the work produced meets established standards, is free from errors, and meets desired quality expectations.
- 2) Quantity of Work
Measures the amount of work completed within a certain period of time. This relates to the productivity or output generated by employees.
- 3) Timeliness
Measuring employees' ability to complete work according to set deadlines. Punctuality is very important in improving organizational efficiency.
- 4) Initiative
Measures the extent to which employees are able to show initiative in completing tasks without having to wait for instructions from their superiors. This includes the ability to make decisions and act proactively.
- 5) Teamwork
Measures employees' ability to work with others in a team, as well as their contribution to the achievement of team and overall organizational goals.
- 6) Communication
Measuring the extent to which employees are able to communicate clearly and effectively, both in conveying information and in listening and responding to ideas or issues.
- 7) Creativity and Innovation
Measuring the extent to which employees are able to generate new ideas, creative solutions, and innovative approaches in completing tasks or facing challenges in the workplace.

Organizational Commitment Definition of Organizational Commitment

Wibowo (2022) defines organizational commitment as a form of employee attachment demonstrated through a willingness to support organizational goals, remain part of the organization, and contribute optimally to their work.

Indicators of Organizational Commitment

According to Wibowo (2022), organizational commitment can be seen from the following indicators:

1) Employee Engagement

Employee engagement shows the extent to which employees actively participate in organizational activities, whether physically, cognitively, or emotionally.

2) Willingness to Strive for the Organization

This describes the willingness of employees to make extra efforts for the benefit of the organization, even beyond their formal obligations.

3) Desire to Stay

The desire to remain shows the employee's intention to remain part of the organization in the long term.

4) Pride in the Organization.

Pride in the organization reflects employees' emotional identification with the organization.

Transformational Leadership Definition of Transformational Leadership

Robbins & Judge (2019) define transformational leadership as a leadership style that is capable of bringing about major changes in an organization by influencing the values, perceptions, and aspirations of subordinates to align with the leader's vision.

Indicators of Transformational Leadership

According to Robbins and Judge (2019), the indicators of transformational leadership include four main dimensions:

1) Idealized Influence:

Leaders act as role models who are respected and trusted by their followers, and demonstrate ethical behavior and high moral principles.

1) Inspirational Motivation:

Leaders convey a clear vision and mission, and motivate their followers to achieve common goals with enthusiasm and optimism.

3) Intellectual Stimulation:

Leaders encourage creativity and innovation, and invite their followers to think critically and seek new solutions to the problems they face.

4) Individualized Consideration:

Leaders pay special attention to the needs and potential of each follower, and act as mentors or coaches in their personal development.

Conceptual Framework

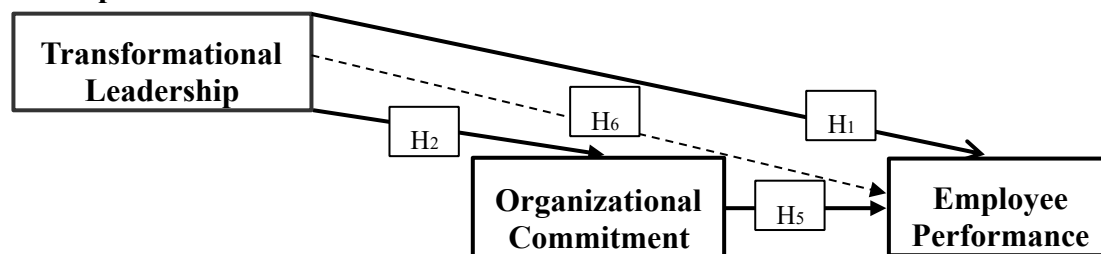


Figure 1. Conceptual Framework

Research Hypothesis

H₁: Transformational leadership has a positive and significant effect on employee performance at the Medan Belawan Primary Tax Office .

H₂ : Transformational leadership has a positive and significant effect on organizational commitment at the Medan Belawan Tax Office.

H₃ : Organizational commitment has a positive and significant effect on employee performance at the Medan Belawan Tax Office.

H₄ : Transformational leadership has a positive and significant effect on employee performance through organizational commitment at the Medan Belawan Primary Tax Office.

Research Methodology Type of Research

The type of research used by the researcher is quantitative research. According to Sugiyono (2022), quantitative research can be defined as a method based on positivism philosophy, used to study a specific population or sample, with sampling techniques generally conducted randomly, data collection using research instruments, and quantitative/statistical data analysis with the aim of testing predetermined hypotheses. This type of quantitative research was conducted to create a study aimed at adjusting a study and analyzing transformational leadership and organizational communication on employee performance with organizational commitment as a mediating variable at the Medan Belawan Tax Office.

Research Location and Time

The research location was at the Medan Belawan Primary Tax Office, located at Jalan Kolonel Laut Yos Sudarso No. 27 KM 8, RW.2, Tanjung Mulia, Medan Deli District, Medan City. The research was conducted over a period of 3 months, from October to December 2025.

Population and Sample

Sugiyono (2022) defines population as a generalization area consisting of objects or subjects that have certain qualities and characteristics determined by researchers to be studied and then conclusions are drawn. The population and sample in this study were all permanent employees at the Medan Belawan Primary Tax Office. There were 100 civil servant employees at the Medan Belawan Primary Tax Office. In this study, the entire population was used as the sample, which is known as a population study.

Research Data Sources

The data source used in this study is primary data.

Results Outer Model Analysis

Outer Model Analysis using the PLS Algorithm produced the following results: **Validity Test**

Table 1. Outer Loadings Values

	Employee Performance	Organizational Commitment	Transformational Leadership
X1.1			0.812
X1.2			0.847
X1.3			0.876
X1.4			0.830
Y.1	0.715		
Y.2	0.863		
Y.3	0.731		
Y.4	0.827		
Y.5	0.861		
Y.6	0.882		
Y.7	0.832		
	Employee Performance	Organizational Commitment	Transformational Leadership
Z.1		0.852	
Z.2		0.749	

Z.3		0.853	
Z.4		0.836	

Source: Smart PLS Output, 2025

Based on the values in Table 1 above, which show the results of outer model testing through loading factor/outer loadings values, all indicators in each variable have a loading value ≥ 0.70 . This indicates that each indicator is measured validly and strongly. Therefore, it can be concluded that all items in the questionnaire have met the validity criteria, as shown in the following figure.

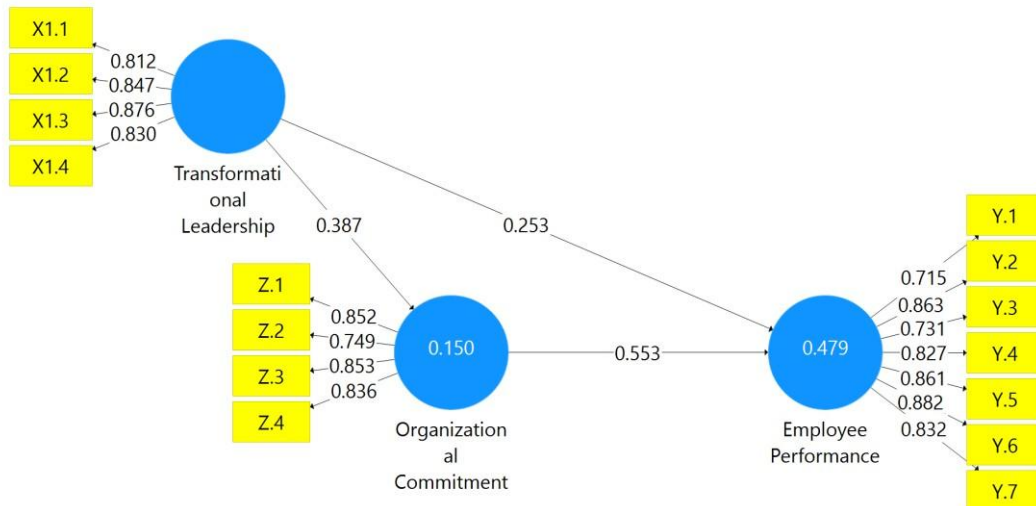


Figure 2. Outer Loading

Reliability Test

Table 2. Construct Reliability and Validity Test

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Employee Performance	0.917	0.925	0.934	0.670
Organizational Commitment	0.842	0.852	0.894	0.678
Transformational Leadership	0.862	0.864	0.907	0.708

Source: Smart PLS Output, 2025

From Table 2 above, the reliability test results show that the Cronbach's Alpha and Composite Reliability values for all constructs are above 0.70. This indicates that all indicators have high internal consistency and are reliable in measuring their respective constructs. Thus, the research instrument is declared reliable and suitable for use in structural model testing.

Coefficient of Determination (R^2)

In assessing the model with PLS, we begin by looking at the R-square for each dependent latent variable. The table below shows the Rsquare estimation results using SmartPLS.

Table 3. R Square Results

	R Square	Adjusted R-Square
Organizational Commitment	0.150	0.141
Employee Performance	0.479	0.468

Source: Smart PLS, 2025

Table 3 shows the R square values for both dependent variables. For the organizational commitment variable, the R square value is 0.150, meaning that transformational leadership accounts for 0.150 or 15%, with the remainder attributable to other variables outside the model. The R-square value for employee performance is 0.479, meaning that transformational leadership and organizational communication account for 0.479 or 47.9%, with the remaining 52.1% attributable to other variables outside the model.

Structural Model Testing (Inner Model) Hypothesis Testing Direct Influence Between Variables

The direct effect between variables can be seen in the path coefficients. The data analysis results show the direct effect values in the following table.

Table 4. Path Coefficients (Direct Effects)

	Original Sample	T Statistics	P Values	Conclusion
Transformational Leadership -> Employee Performance	0.253	3.419	0.001	Accepted
Transformational Leadership -> Organizational Commitment	0.387	4.630	0.000	Accepted
Organizational Commitment -> Employee Performance	0.553	8,115	0	Accepted

Source: Smart PLS Output, 2025

The results in Table 4 show the following direct effect values:

1. Transformational leadership has a positive and significant effect on employee performance with a t-statistic value of 3.419 above 1.96 and a significance of 0.001 below 0.05, meaning that transformational leadership has a real effect on employee performance because the significance value is below 0.05. The results of this study are in line with previous research findings, namely that transformational leadership has a positive and significant effect on employee performance (Fitrahayati & Surya, 2025).
2. Transformational leadership has a positive and significant effect on organizational commitment with a t-statistic value of 4.630 above 1.96 and a significance of 0.000 below 0.05, meaning that transformational leadership has a significant effect on organizational commitment because the significance value is below 0.05. The results of this study are in line with previous research, which found that transformational leadership has a positive and significant effect on employee performance (Ferry et al., 2025).
3. Organizational commitment has a positive and significant effect on employee performance, with a t-statistic value of 8.115 above 1.96 and a significance of 0.000 below 0.05, meaning that organizational commitment has a significant effect on employee performance because the significance value is below 0.05. The results of this study are in line with previous studies, namely that organizational commitment has a positive and significant effect on employee performance (Hasibuan & Ferine, 2023).

Indirect Effects Between Variables

The indirect effect between variables can be seen in the specific indirect effects value. The data analysis results show the indirect effect value in Table 5 below.

Table 5. Specific Indirect Effects (Indirect Effects)

	Original Sample	T Statistics	P Values	Conclusion
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Transformational Leadership -> Organizational Commitment -> Employee Performance	0.214	4.074	0.000	Accepted
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Source:
Smart
PLS,
2025

Table 5 shows the indirect influence between variables, namely: Transformational leadership has a positive and significant effect on employee performance through organizational commitment with a t-statistic value of 4.074 above 1.96 and a significance value of 0.000 below 0.05, meaning that organizational commitment acts as an intervening variable between transformational leadership and employee performance.

Conclusion

1. Transformational leadership has a positive and significant effect on employee performance at the Medan Belawan Tax Office.
2. Transformational leadership has a positive and significant effect on organizational commitment at the Medan Belawan Tax Office.
3. Organizational commitment has a positive and significant effect on employee performance at the Medan Belawan Tax Office.
4. Transformational leadership has a positive and significant effect on employee performance through organizational commitment at the Medan Belawan Tax Office.

Recommendations

1. The lowest-scoring employee performance statement was "I am able to complete the amount of work in accordance with the set targets." KPP Pratama Medan Belawan is advised to maintain employee work target achievement by strengthening performance planning and control through the establishment of clear, realistic, and measurable targets in accordance with the workload of each unit. In addition, it is necessary to improve work system support, utilize tax administration technology, and conduct regular performance monitoring and evaluation so that employees are able to complete their work on time without causing excessive work pressure.
2. The organization's commitment with the lowest value statement is "I am willing to make my best effort for the progress of the organization." KPP Pratama Medan Belawan is advised to maintain and improve employee commitment to the organization by creating a fair, supportive, and participatory work climate. Leaders need to recognize employee contributions, involve employees in achieving targets and operational decision-making, and align individual goals with organizational goals so that employee dedication and best efforts can be maintained on an ongoing basis.
3. Transformational leadership with the lowest value statement is "Leaders set a good example in their work attitudes and behavior." KPP Pratama Medan Belawan is advised to maintain and strengthen leadership exemplarity through consistency in applying discipline, integrity, and work ethics in every activity and decision-making. Additionally, leaders need to continue to demonstrate professionalism, fairness, and openness in order to become role models capable of building trust, motivation, and a positive work culture within the KPP Pratama Medan Belawan environment.

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