

Analysis of Transformational Leadership and Organizational Communication on Employee Performance with Organizational Commitment as A Mediating Variable at The Medan Belawan Primary Tax Office Medan Belawan Primary Tax Service Office

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ABSTRAK

Employee performance is a strategic factor in supporting the achievement of public organization goals, especially in tax agencies that have high performance demands. This study aims to analyze the influence of transformational leadership and organizational communication on employee performance with organizational commitment as a mediating variable at the Medan Belawan Primary Tax Office. This study uses a quantitative approach with a survey method. The population in this study was all 100 permanent employees of the Medan Belawan Tax Office, all of whom were used as research samples. Data were collected through questionnaires and analyzed using the Partial Least Square (PLS) method with the help of SmartPLS software. The results showed that transformational leadership and organizational communication had a positive and significant effect on employee performance. In addition, transformational leadership and organizational communication also have a positive and significant effect on organizational commitment. Organizational commitment has been proven to have a positive and significant effect on employee performance. Furthermore, the results of the indirect effect test show that organizational commitment is able to significantly mediate the effect of transformational leadership and organizational communication on employee performance. The coefficient of determination shows that transformational leadership and organizational communication can explain 56.8% of the variation in employee performance. The findings of this study indicate that improving employee performance at the Medan Belawan Tax Office can be achieved by strengthening the role of transformational leadership, improving the quality of organizational communication, and increasing employee commitment to the organization. The results of this study are expected to provide practical contributions to tax agency leaders in formulating sustainable human resource management policies.

ABSTRACT

Employee performance is a strategic factor in supporting the achievement of public organization goals, especially in tax agencies that have high performance demands. This study aims to analyze the influence of transformational leadership and organizational communication on employee performance with organizational commitment as a mediating variable at the Medan Belawan Primary Tax Office. This study uses a quantitative approach with a survey method. The population in this study was all 100 permanent employees of the Medan Belawan Tax Office, all of whom were used as research samples. Data were collected through questionnaires and analyzed using the Partial Least Square (PLS) method with the help of SmartPLS software. The results showed that transformational leadership and organizational communication had a positive and significant effect on employee performance. In addition, transformational leadership and organizational communication also have a positive and significant effect on organizational commitment. Organizational commitment has been proven to have a positive and significant effect on employee performance. Furthermore, the results of the indirect effect test show that organizational commitment is able to significantly mediate the effect of transformational leadership and organizational communication on employee performance. The coefficient of determination shows that transformational leadership and organizational communication can explain 56.8% of the variation in employee performance. The findings of this study indicate that improving employee performance at the Medan Belawan Tax Office can be achieved by strengthening the role of transformational leadership, improving the quality of organizational communication, and increasing employee commitment to the organization. The results of this study are expected to provide practical contributions to tax agency leaders in formulating sustainable human resource management policies.

INTRODUCTION

Employee performance is one of the fundamental factors that determine the success of public organizations in carrying out their service functions, administrative governance, and the achievement of strategic targets. In the context of the Medan Belawan Tax Office () of the Directorate General of Taxes (DGT), employee performance greatly influences the success of increasing state revenue, providing services to taxpayers, and achieving the DGT's key performance indicators. To achieve these targets, the organization needs employees who are not only technically competent but also motivated, loyal, committed, and have a conducive working relationship.

One factor that plays an important role in improving employee performance is transformational leadership. Robbins & Judge (2020) explain that transformational leadership is able to inspire, motivate, and influence employees to work beyond the set standards through providing vision, exemplary behavior, intellectual stimulation, and individual attention. Research by Sari & Pratama (2021) shows that transformational leadership has a significant positive effect on the performance of public sector employees, because leaders are able to encourage creativity, build emotional relationships, and create a productive work climate. A study by Riyanto, Endri & Herlisha (2022) also confirms that a transformational leadership style can improve positive work behavior, which has an impact on improving performance and service quality.

Another important factor that affects employee performance is organizational communication. Effective communication allows for a clear flow of information, smoother coordination, and minimized work errors. According to Adi & Herawati (2021), good organizational communication improves the clarity of instructions, understanding of tasks, and relationships between employees, thereby increasing performance. This is reinforced by the findings of Lestari & Wijaya (2022), who state that effective internal communication strengthens collaboration, reduces conflict, and creates a conducive work environment. In tax agencies such as the Medan Belawan Tax Office, where employees face high administrative burdens, strict revenue targets, and demands for fast service, clear communication is a crucial element in ensuring work effectiveness.

To understand how transformational leadership and organizational communication improve employee performance, it is necessary to consider the role of organizational commitment as a psychological variable that mediates this relationship. Organizational commitment reflects employees' emotional attachment and loyalty to the agency where they work. Robbins & Judge (2020) explain that employees with high commitment tend to perform better, be more disciplined, and have a high sense of responsibility toward achieving organizational goals. Research by Sihombing & Hutapea (2022) found that organizational commitment mediates the influence of leadership on the performance of government employees. Meanwhile, a study by Fitriani & Kurniawan (2021) shows that effective organizational communication increases organizational commitment, which ultimately has a positive impact on performance improvement.

Although there has been much research on the influence of leadership, organizational communication, and organizational commitment, research that simultaneously integrates these three variables in the context of tax agencies, particularly at the Medan Belawan Tax Office, is still very limited. In fact, the characteristics of work in the Tax Office environment are very complex, involving an information technology-based administrative system, intense relationships with taxpayers, and high demands for data accuracy. These conditions make transformational leadership, effective communication, and organizational commitment important factors that need to be examined to understand employee performance dynamics more comprehensively.

Based on the above phenomena, this study was conducted to analyze the influence of transformational leadership and organizational communication on employee performance, as well as to assess 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 human resource management science and provide strategic recommendations for tax agency leaders in improving employee performance in a sustainable manner.

LITERATURE REVIEW

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.

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.

Organizational Communication

N. Neiroukh et al. (2024) define organizational communication as a process in which an organization clearly defines details related to the work environment and the nature of responsibilities expected of organizational staff.

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.

Conceptual Framework

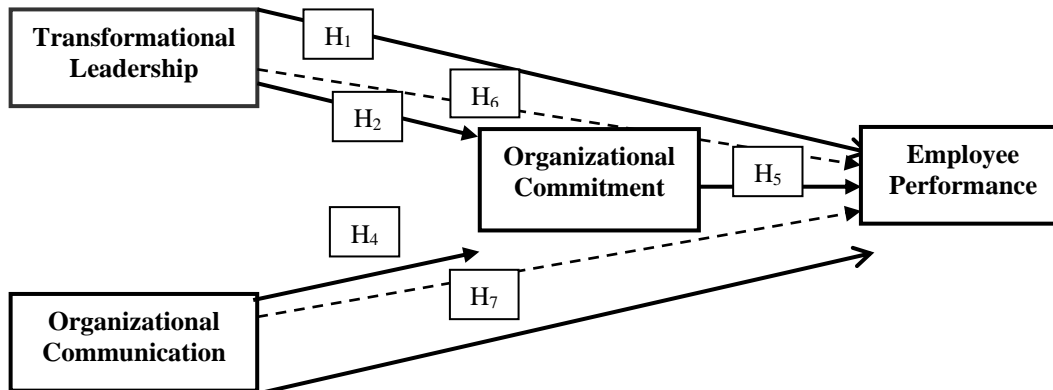


Figure 1. Conceptual Framework

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 communication has a positive and significant effect on employee performance at the Medan Belawan Primary Tax Office.
- H4: Organizational communication has a positive and significant effect on organizational commitment at the Medan Belawan Tax Office.
- H5 : Organizational commitment has a positive and significant effect on employee performance at the Medan Belawan Primary Tax Office.
- H6 : Transformational leadership has a positive and significant effect on employee performance through organizational commitment at the Medan Belawan Primary Tax Office.
- H7 : Organizational communication has a positive and significant effect on employee performance through organizational commitment at the Medan Belawan Primary Tax Office.

RESEARCH METHOD

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.

RESULTS AND DISCUSSION

Validity Test

Table 1. Outer Loadings Values

	Employee Performance	Organizational Commitment	Organizational Communication	Transformational Leadership
X1.1				0.812
X1.2				0.847
X1.3				0.876
X1.4				0.830
X2.1			0.796	

	Employee Performance	Organizational Commitment	Organizational Communication	Transformational Leadership
X2.2			0.872	
X2.3			0.788	
X2.4			0.874	
X2.5			0.792	
Y.1	0.723			
Y.2	0.863			
Y.3	0.728			
Y.4	0.829			
Y.5	0.863			
Y.6	0.881			
Y.7	0.829			
Z.1		0.849		
Z.2		0.757		
Z.3		0.851		
Z.4		0.834		

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.

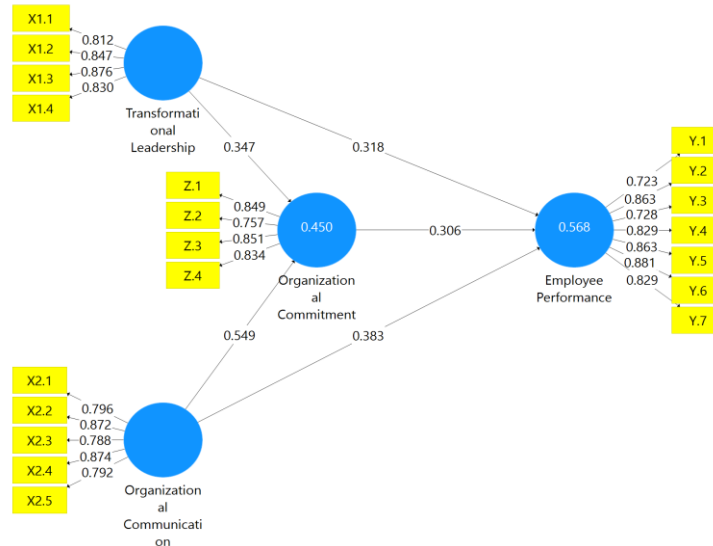


Figure 2 Outer Loading

In this study, there is an equation, and that equation consists of two substructures for substructure 1:

$$Z = \beta_1 X_1 + \beta_2 X_2 + e_1$$

$$Z = 0.347 X_1 + 0.549 X_2 + e_1$$

For substructure 2:

$$Y = \beta_2 X_1 + \beta_3 X_2 + \beta_3 Z + e_2$$

$$Y = 0.318 X_1 + 0.383 X_2 + 0.306 Z + e_2$$

Reliability Test

Table 2. Construct Reliability and Validity Test

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Employee Performance	0.917	0.922	0.934	0.670
Organizational Commitment	0.842	0.848	0.894	0.679
Organizational Communication	0.882	0.887	0.914	0.681
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	0.450	0.439
Employee Performance	0.568	0.555

Source: Smart PLS, 2025

Table 3 shows the R-squared values for both dependent variables. For the Organizational Commitment variable, the R-squared value is 0.450, meaning that transformational leadership and organizational communication account for 0.450 or 45%, with the remainder attributable to other variables outside the model. The R-squared value for Employee Performance is 0.568, meaning that transformational leadership and organizational communication account for 0.568 or 56.8%, with the remainder attributable to other variables outside the model.

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	0.318	3.964	0.000	Accepted
Transformational Leadership -> Organizational Commitment	0.347	4.754	0.000	Accepted
Organizational Communication -> Employee Performance	0.383	4.101	0.000	Accepted
Organizational Communication -> Organizational Commitment	0.549	10,562	0.000	Accepted
Organizational Commitment -> Employee Performance	0.306	2.914	0.004	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 3.964 above 1.96 and a significance of 0.000 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 and Surya, 2025).

2. Transformational leadership has a positive and significant effect on organizational commitment with a t-statistic value of 4.754 above 1.96 and a significance of 0.000 below 0.05, meaning that transformational leadership has a real 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 organizational commitment (Koesoema & Mesra, 2023).
3. Organizational communication has a positive and significant effect on employee performance with a t-statistic value of 4.101 above 1.96 and a significance of 0.000 below 0.05, meaning that organizational communication 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 research findings, namely that organizational communication has a positive and significant effect on employee performance (Ferry et al., 2025).
4. Organizational communication has a positive and significant effect on organizational commitment, with a t-statistic value of 10.562 above 1.96 and a significance of 0.000 below 0.05, meaning that organizational communication 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 studies, namely that organizational communication has a positive and significant effect on organizational commitment (Sianipar & Surya, 2025).
5. Organizational commitment has a positive and significant effect on employee performance, with a t-statistic value of 2.914 above 1.96 and a significance of 0.004 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 research findings, 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 effect* 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
Transformational Leadership -> Organizational Commitment -> Employee Performance	0.106	2.545	0.011	Accepted
Organizational Communication -> Organizational Commitment -> Employee Performance	0.168	2,763	0.006	Accepted

Source: Smart PLS, 2025

Table 5 shows the indirect effects between variables, namely:

1. Transformational leadership has a positive and significant effect on employee performance through organizational commitment with a t-statistic value of 2.545 above 1.96 and a significance value of 0.011 below 0.05, meaning that organizational commitment acts as an intervening variable between transformational leadership and employee performance.
2. Organizational communication has a positive and significant effect on employee performance through organizational commitment with a t-statistic value of 2.763 above 1.96 and a significance value of 0.006 below 0.05, meaning that organizational commitment acts as an intervening variable between organizational communication and employee performance.

CONCLUSION

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



5. Organizational commitment has a positive and significant effect on employee performance at the Medan Belawan Primary Tax Office.
6. Transformational leadership has a positive and significant effect on employee performance through organizational commitment at the Medan Belawan Primary Tax Office.
7. Organizational communication has a positive and significant effect on employee performance through organizational commitment at the Medan Belawan Primary Tax Office.

RECOMMENDATIONS

1. Employee performance with the lowest value statement is "I can complete the amount of work according to the set targets." Therefore, the suggestion that can be given is that the Medan Belawan Tax Office needs to evaluate and adjust work targets based on employee capacity and workload, accompanied by strengthening leadership direction and internal communication, so that the completion of work according to the set targets can be achieved.
2. Organizational commitment with the lowest score was "I am willing to do my best for the progress of the organization." The Medan Belawan Tax Office is advised to increase employee commitment by strengthening transformational leadership, providing appreciation for performance, and creating a work climate that supports involvement and a sense of belonging to the organization.
3. Organizational communication with the lowest value statement "The information and work instructions I receive are conveyed clearly and are easy to understand." The Medan Belawan Tax Office is advised to improve the clarity of information and work instruction delivery through more structured communication standards, the use of appropriate communication media, and ensuring feedback so that employees understand their tasks clearly and uniformly.
4. Transformational leadership with the lowest value statement "Leaders set a good example in their work attitudes and behavior." The Medan Belawan Tax Office is advised to strengthen the role of leaders as role models by improving integrity, consistency of attitude, and the application of positive work values in every activity, thereby increasing employee trust and motivation.

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