

# Analysis Of Transformational Leadership And Work Stress On Employee Performance With Job Satisfaction As A Mediating Variable At The Tax Service Office Pratama Medan Belawan

Ahmad Affandy <sup>1</sup>, Sri Rahayu <sup>2</sup>, Erwansyah <sup>3</sup>

<sup>1</sup>Master's Student in Management, Panca Budi Development University

<sup>2,3</sup>Master of Management, Panca Budi Development University

Email: <sup>1</sup> [funday18@yahoo.com](mailto:funday18@yahoo.com)

## ARTICLE HISTORY

Received [15 Maret 2026]

Revised [19 Mei 2026]

Accepted [21 Mei 2026]

## KEYWORDS

*Transformational Leadership, Work Stress, Job Satisfaction, Employee Performance.*

*This is an open access*

*article under the [CC-BY-SA](https://creativecommons.org/licenses/by-sa/4.0/) license*



## ABSTRAK

Employee performance is a key factor in supporting the success of public organizations, including the Medan Belawan Tax Office (KPP), which has strategic responsibilities in state revenue and taxpayer services. High target demands, workloads, and the dynamics of taxation policies require employees to perform optimally. This study aims to analyze the influence of transformational leadership and work stress on employee performance with job satisfaction as a mediating variable at the Medan Belawan Tax Office. This study uses a quantitative approach with a census method of 100 permanent employees. Primary data were collected through questionnaires and analyzed using Partial Least Square (PLS) with the help of SmartPLS. The results show that transformational leadership has a positive but insignificant effect on employee performance, but has a positive and significant effect on job satisfaction. Work stress has a negative and significant effect on employee performance and job satisfaction. Job satisfaction has a positive and significant effect on employee performance. In addition, job satisfaction mediates the effect of transformational leadership and work stress on employee performance. These findings indicate that improving employee performance in the KPP Pratama Medan Belawan environment is more effectively done through strengthening job satisfaction, managing work stress, and implementing consistent transformational leadership. This study is expected to contribute theoretically to the development of human resource management in the public sector and provide practical recommendations for tax agency leaders.

## ABSTRACT

Employee performance is a key factor in supporting the success of public organizations, including the Medan Belawan Tax Office (KPP), which has strategic responsibilities in state revenue and taxpayer services. High target demands, workloads, and the dynamics of taxation policies require employees to perform optimally. This study aims to analyze the influence of transformational leadership and work stress on employee performance with job satisfaction as a mediating variable at the Medan Belawan Tax Office. This study uses a quantitative approach with a census method of 100 permanent employees. Primary data were collected through questionnaires and analyzed using Partial Least Square (PLS) with the help of SmartPLS. The results show that transformational leadership has a positive but insignificant effect on employee performance, but has a positive and significant effect on job satisfaction. Work stress has a negative and significant effect on employee performance and job satisfaction. Job satisfaction has a positive and significant effect on employee performance. In addition, job satisfaction mediates the effect of transformational leadership and work stress on employee performance. These findings indicate that improving employee performance in the KPP Pratama Medan Belawan environment is more effectively done through strengthening job satisfaction, managing work stress, and implementing consistent transformational leadership. This study is expected to contribute theoretically to the development of human resource management in the public sector and provide practical recommendations for tax agency leaders.

## INTRODUCTION

Employee performance is an important element in the success of public organizations, including the Medan Belawan Tax Office (KPP), which has a strategic role in increasing state revenue and providing optimal services to taxpayers. To achieve increasingly complex organizational targets, employees are required to have high performance, discipline, and be able to work under pressure. Therefore, analysis of the factors that influence employee performance is very important.

One factor that strongly influences performance is transformational leadership. Robbins & Judge (2020) explain that transformational leadership can increase employee motivation, work enthusiasm, and self-confidence through inspiration, vision, and individual attention. This finding is in line with the research by Sari & Pratama (2021), which shows that transformational leadership has a positive and significant effect on the performance of public sector employees. Research by Riyanto, Endri & Herlisha (2022) also confirms that transformational leaders are able to improve the positive work behavior of their subordinates, which in turn has an impact on improving service quality. In the context of taxation, this style of leadership is very important because employees are faced with the pressure of achieving revenue targets, taxpayer demands, and rapid policy changes.

Apart from leadership, work stress is also a crucial factor that can reduce employee performance. According to Robbins & Judge (2020), high work stress can interfere with concentration, reduce motivation, and hinder work effectiveness. Research by Hidayati & Ramadhan (2020) found that work stress has a negative effect on employee performance in government agencies due to high workloads and targets that are not always commensurate with human resource capacity. A study by Lubis & Darmawan (2021) also supports this finding that work stress is negatively correlated with the productivity of public service employees. For employees at the Medan Belawan Tax Office, stress can arise due to the burden of tax administration, pressure from taxpayers, revenue targets, and tight financial reporting deadlines.

Another important factor is job satisfaction, which in this study is positioned as a mediating variable. Robbins & Judge (2020) emphasize that employees who are satisfied with their jobs tend to show high commitment, motivation, and work energy, which directly impacts performance. Several previous studies support this. The research by Fitriani & Kurniawan (2021) states that job satisfaction has a significant effect on the performance of local government employees. The study by Nugroho & Abdullah (2023) found that job satisfaction can be a mediating variable that bridges the influence of leadership and stress on the performance of public organization employees. The research by Sihombing & Hutapea (2022) also shows that employees who are satisfied with transformational leadership and support from their superiors tend to work better and show higher loyalty.

Based on these phenomena and empirical findings, there are strong indications that transformational leadership can improve performance both directly and through increased job satisfaction. Conversely, work stress can reduce performance directly or through decreased job satisfaction. However, research that specifically examines the relationship between these four variables in tax agencies, particularly the Medan Belawan Tax Office, is still very limited. In fact, the transformational leadership of the Tax Office has unique characteristics: high workload, pressure from relationships with taxpayers, data accuracy, and strict revenue targets. This makes research in this context important to conduct.

Therefore, this study aims to analyze the influence of transformational leadership and work stress on employee performance with job satisfaction 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 practical recommendations for tax agency leaders in improving the quality of employee performance.

## LITERATURE REVIEW

### Employee Performance

According to Robbins & Judge (2020), employee performance is the level of work output of an individual in carrying out the tasks for which they are responsible, which is assessed based on standards or criteria set by the organization.

### Job Satisfaction

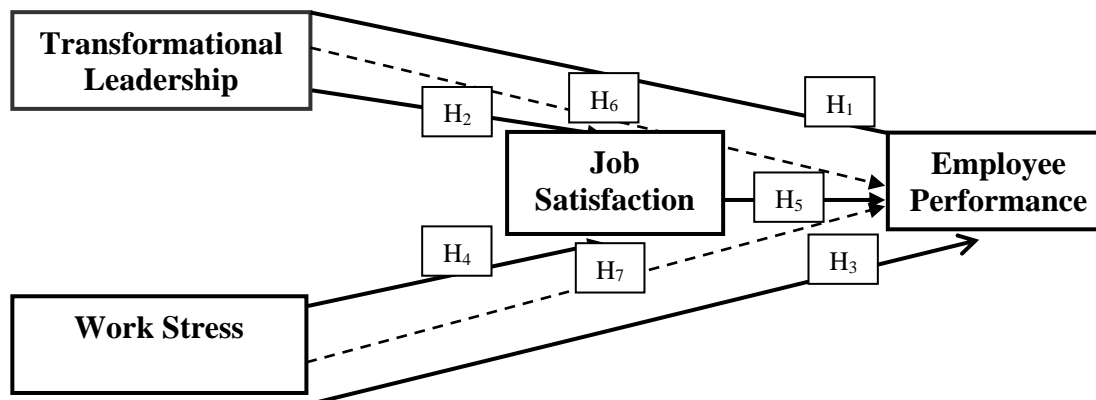
According to Atmaja (2022), job satisfaction is a pleasant emotional attitude and love for one's work.

### Work Stress

Hasibuan (2020) explains that work stress is a condition of tension that affects a person's emotions, thought processes, and condition at work, causing the individual to become tense, anxious, and uncooperative.

### Transformational Leadership

Yukl (2020) defines transformational leadership as a process in which leaders change or transform the values, attitudes, and goals of organizational members by providing ideal influence, inspirational motivation, intellectual stimulation, and individual attention.



**Figure 1. Conceptual Framework**

**Research Hypothesis**

- H<sub>1</sub> : Transformational leadership has a positive and significant effect on employee performance at the Medan Belawan Tax Office.
- H<sub>2</sub> : Transformational leadership has a positive and significant effect on job satisfaction at the Medan Belawan Primary Tax Office.
- H<sub>3</sub> : Work stress has a negative and significant effect on employee performance at the Medan Belawan Primary Tax Office.
- H<sub>4</sub> : Work stress has a negative and significant effect on job satisfaction at the Medan Belawan Primary Tax Office.
- H<sub>5</sub> : Job satisfaction has a positive and significant effect on employee performance at the Medan Belawan Primary Tax Office.
- H<sub>6</sub> : Transformational leadership has a positive and significant effect on employee performance through job satisfaction at the Medan Belawan Primary Tax Office.
- H<sub>7</sub> : Work stress has a negative and significant effect on employee performance through job satisfaction at the Medan Belawan 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 work stress on employee performance with job satisfaction as a mediating variable at the Medan Belawan Tax Office.

**RESULTS AND DISCUSSION**

**Validity Test**

**Table 1. Outer Loadings Values**

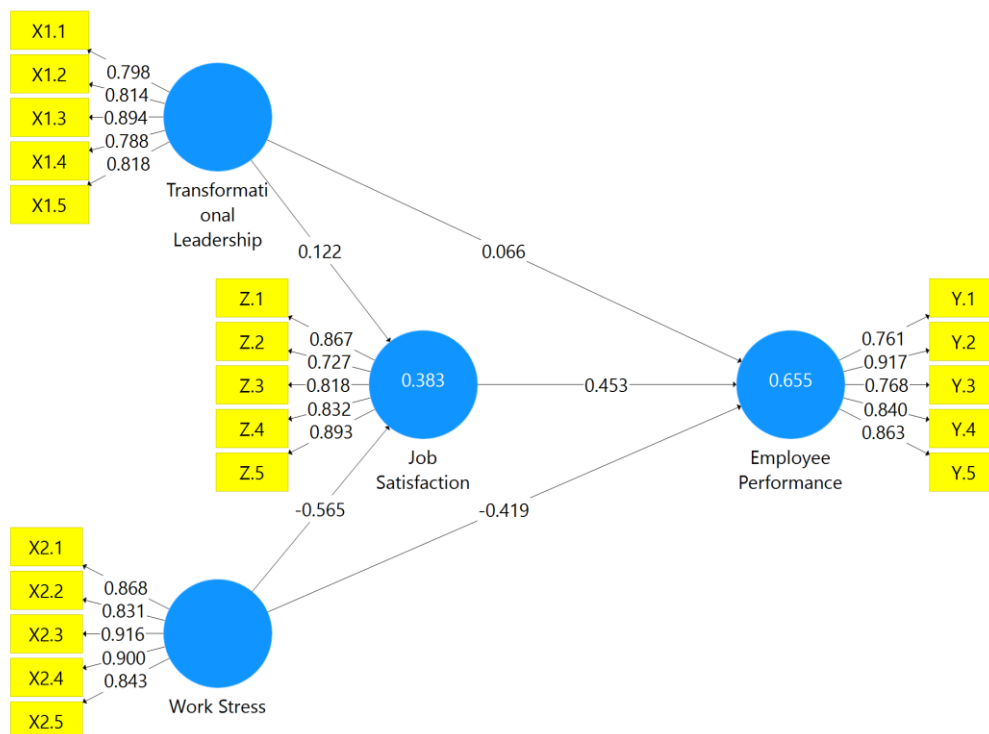
	Employee Performance	Job Satisfaction	Transformational Leadership	Work Stress
X1.1			0.798	
X1.2			0.814	
X1.3			0.894	
X1.4			0.788	
X1.5			0.818	
X2.1				0.868

	Employee Performance	Job Satisfaction	Transformational Leadership	Work Stress
X2.2				0.831
X2.3				0.916
X2.4				0.900
X2.5				0.843
Y.1	0.761			
Y.2	0.917			
Y.3	0.768			
Y.4	0.840			
Y.5	0.863			
Z.1		0.867		
Z.2		0.727		
Z.3		0.818		
Z.4		0.832		
Z.5		0.893		

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  $\geq 0.70$ . 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:

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

$$Z = 0.122X_1 - 0.565Z + e_1$$

For substructure 2:

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

$$Y = 0.066 X_1 - 0.419 X_2 + 0.453 Z + e_2$$

### Reliability Test

**Table 2. Construct Reliability and Validity Test**

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Employee Performance	0.887	0.892	0.918	0.692
Job Satisfaction	0.886	0.908	0.917	0.688
Transformational Leadership	0.881	0.886	0.913	0.678
Work Stress	0.921	0.924	0.941	0.761

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
Job Satisfaction	0.383	0.376
Employee Performance	0.655	0.649

Source: Smart PLS, 2025

Table 3 shows the R-square values for both dependent variables. For the job satisfaction variable, the R-square value is 0.383, meaning that the influence of transformational leadership ( ) and work stress ( ) is 0.383 or 38.3%, with the remainder attributable to other variables outside the model. The R-square value for employee performance is 0.655, meaning that transformational leadership, work stress, and job satisfaction account for 0.655 or 65.5%, with the remainder attributable to other variables outside the model.

### Hypothesis Testing

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	0.066	1.579	0.115	Rejected
Transformational Leadership -> Job Satisfaction	0.122	2.293	0.022	Accepted
Work Stress -> Employee Performance	-0.419	8.098	0.000	Accepted
Work Stress -> Job Satisfaction	-0.565	12.275	0.000	Accepted
Job Satisfaction -> Employee Performance	0.453	9.932	0.00	Accepted

Source: Smart PLS Output, 2025

Table 4 shows the following direct effect values:

1. Transformational leadership has a positive and significant effect on employee performance with a t-statistic value of 1.579 below 1.96 and a significance of 0.115 above 0.05, meaning that transformational leadership has a real effect on employee performance because the significance value is above 0.05 . The results of this study are in line with previous studies, namely that transformational leadership has a positive and significant effect on employee performance (Fadillah & Mesra, 2023).
2. Transformational leadership has a positive and significant effect on job satisfaction with a t-statistic value of 2.293 above 1.96 and a significance of 0.022 below 0.05, meaning that transformational leadership has a significant effect on job satisfaction 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 job satisfaction (Hussain & Khayat, 2021).
3. Work stress has a negative and significant effect on employee performance with a t-statistic value of 8.098 above 1.96 and a significance of 0.000 below 0.05, meaning that work stress 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 work stress has a positive and significant effect on employee performance (Rahayu, 2024).
4. Work stress has a negative and significant effect on job satisfaction with a t-statistic value of 12.275 above 1.96 and a significance of 0.000 below 0.05, meaning that work stress has a real effect on job satisfaction because the significance value is above 0.05. The results of this study are in line with previous studies, namely that work stress has a negative and significant effect on job satisfaction (Kurniawan, 2024).
5. Job satisfaction has a positive and significant effect on employee performance with a t-statistic value of 9.932 above 1.96 and a significance of 0.000 below 0.05, meaning that job satisfaction 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 job satisfaction has a positive and significant effect on employee performance (Zhafira, 2024; Ferine & Rahayu, 2025; Tahib et al., 2025; Mesra & Surya, 2025).

**Indirect Influence 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**

	Original Sample	T Statistics	P Values	Conclusion
Transformational Leadership -> Job Satisfaction -> Employee Performance	0.055	2.153	0.032	Accepted
Work Stress -> Job Satisfaction -> Employee Performance	-0.256	8.010	0.000	Accepted

Source: Smart PLS, 2025

Table 5 shows the indirect influence between variables, namely:

1. Transformational leadership has a positive and significant effect on employee performance through job satisfaction with a t-statistic value of 2.153 above 1.96 and a significance value of 0.032 below 0.05, meaning that job satisfaction acts as a mediating variable between rewards and employee performance.
2. Work stress has a negative and significant effect on employee performance through job satisfaction with a t-statistic value of 8.010 above 1.96 and a significance value of 0.000 below 0.05, meaning that work stress acts as a mediating variable between work stress and employee performance.

**CONCLUSION**

1. Transformational leadership has a positive but insignificant effect on employee performance at the Medan Belawan Primary Tax Office.
2. Transformational leadership has a positive and significant effect on job satisfaction at the Medan Belawan Tax Office.
3. Work stress has a negative and significant effect on employee performance at the Medan Belawan Tax Office.



4. Work stress has a negative and significant effect on job satisfaction at the Medan Belawan Tax Office.
5. Job satisfaction 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 job satisfaction at the Medan Belawan Primary Tax Office.
7. Work stress has a negative and significant effect on employee performance through job satisfaction at the Medan Belawan Tax Office.

## RECOMMENDATIONS

1. Employee performance with the lowest score was "I carry out my main job duties in accordance with the responsibilities assigned to me." Therefore, the recommendation is that the Medan Belawan Tax Office should strengthen its system for affirming roles and job responsibilities by updating job descriptions to be more detailed, accompanied by measurable individual performance indicators. In addition, regular monitoring and feedback by immediate supervisors is necessary to ensure that the implementation of tasks is not only in accordance with formal responsibilities but also in line with organizational targets, service quality, and the values of professionalism.
2. Job satisfaction with the lowest score was "I am satisfied with my salary or compensation." KPP Pratama Medan Belawan needs to maintain and improve a fair and transparent compensation system by linking performance allowances and non-financial rewards to employee performance, discipline, and contributions. In addition, it is recommended that compensation satisfaction be evaluated periodically to ensure a balance between workload, performance, and employee welfare so that motivation and loyalty are maintained.
3. Work stress with the lowest value statement: "My job often causes tension or emotional pressure." KPP Pratama Medan Belawan is advised to strengthen work stress management through more proportional workload arrangements, the creation of a supportive work environment, and the provision of psychosocial assistance programs such as counseling or sharing sessions. In addition, it is necessary to enhance the role of leaders in building open communication so that employees can channel work pressure constructively and prevent emotional exhaustion (burnout).
4. Transformational leadership with the lowest value statement is "Leaders set an example in upholding work values and ethics." KPP Pratama Medan Belawan is advised to maintain and strengthen leadership exemplarity through consistent application of the values of integrity, discipline, and professionalism in every decision-making and work interaction. Additionally, it is necessary to continuously internalize work values and ethics through socialization, guidance, and evaluation of work behavior so that an ethical organizational culture becomes deeply rooted throughout all levels of employees.

## REFERENCES

- Atmaja, P. (2022). *Human Resource Management*. Jakarta: Prenadamedia Group.
- Fadillah, I., & Mesra, B. (2023). The Influence of Transformational Leadership on Employee Performance Mediated by Work Motivation at The Communications and Informatics Department of Binjai City. *SIBATIK JOURNAL: Scientific Journal in the Fields of Social, Economic, Cultural, Technology, and Education*, 2(9), 2853-2866.
- Fitriani, A., & Kurniawan, H. (2021). The influence of job satisfaction on the performance of local government employees. *Journal of Public Administration*, 9(2), 115–124.
- Hasibuan, M. S. P. (2020). *Human Resource Management (Revised Edition)*. Jakarta: Bumi Aksara.
- Hidayati, N., & Ramadhan, A. (2020). The effect of work stress on employee performance in government agencies. *Journal of Management and Organization*, 11(1), 45–54.
- Hussain, M. K., & Khayat, R. A. M. (2021). The impact of transformational leadership on job satisfaction and organizational commitment among hospital staff: a systematic review. *Journal of Health Management*, 23(4), 614-630.
- Kurniawan, A. Analysis of Work Stress and Emotional Intelligence on Job Satisfaction at PT. Deltamas Surya Indah Mulia (Toyota Authorized Dealer) Medan Balaikota Branch.
- Lubis, R., & Darmawan, D. (2021). Work stress and its impact on the productivity of public service employees. *Journal of Administrative Science*, 18(3), 201–210.

- Mesra, B., & Surya, E. D. (2025, June). The Role of Job Satisfaction in Mediating the Influence of Job Promotion on Employee Performance at the Regional Revenue Agency of North Sumatra Province. In *International Conference Epicentrum of Economic Global Framework* (pp. 318-327).
- Nugroho, F., & Abdullah, M. (2023). Job satisfaction as a mediator of the influence of leadership and work stress on the performance of public organization employees. *Journal of Public Administration Management*, 7(1), 33–46.
- Rahayu, S. (2024, August). Analysis of Work Motivation and Work Stress on Employee Performance at Starbucks Medan. In *1st International Conference Epicentrum of Economic Global Framework* (Vol. 1, No. 1, pp. 1114-1126).
- Riyanto, S., Endri, E., & Herlisha, N. (2022). Transformational leadership and its influence on work behavior and performance of public sector employees. *Journal of Economics and Management*, 14(2), 98–110.
- Robbins, S. P., & Judge, T. A. (2020). *Organizational Behavior* (18th ed.). Pearson.
- Sari, D., & Pratama, M. (2021). The influence of transformational leadership on employee performance in government agencies. *Journal of Public Administration*, 17(4), 321–330.
- Sihombing, R., & Hutapea, J. (2022). The effect of job satisfaction on employee performance in government agencies. *Journal of Public Administration & Policy*, 6(1), 57–67.
- Sugiyono. (2022). *Quantitative, Qualitative, and R&D Research Methods* (Latest Edition). Bandung: Alfabeta.
- Thaib, M., Rahayu, S., & Ferine, K. F. (2025, March). The Role of Job Satisfaction in Mediating the Influence of Competency on Teacher Performance at SMA Negeri 1 Timang Gajah Bener Meriah Regency. In *International Conference on Artificial Intelligence, Navigation, Engineering, and Aviation Technology* (Vol. 2, pp. 581-585).
- YOSAKA, I. A. (2024). *Analysis of Transformational Leadership, Organizational Culture, and Work Discipline on Employee Performance at the Medan Mayor's Office* (Doctoral dissertation, Faculty of Social Sciences).
- Yukl, G. (2020). *Leadership in Organizations* (9th ed.). Pearson.
- Zhafira, S., Rahayu, S., & Rizky, M. C. (2024, August). Analysis of Work Discipline and Job Satisfaction on the Performance of Non-ASN Employees at the Secretariat of the Regional People's Representative Council of North Sumatra Province. In *1st International Conference Epicentrum of Economic Global Framework* (Vol. 1, No. 1, pp. 1069-1078).