JURNAL ECONOMINA
e-ISSN: 2963-1181
Volume 5, Number 10, October 2026
Homepage: ejournal.45mataram.ac.id/index.php/economina

The Influence of Transformational Leadership and Organizational Culture on Employee Performance Through a High-Performance Work System at the Customs and Excise Supervision and Service Office, Type B Madya Pabean Makassar

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Article History

Received: 16-10-2026
Revised: 23-10-2026
Published: 30-10-2026

Keywords: Transformational Leadership, Organizational Culture, High Performance Work System, Employee Performance

ABSTRACT

This study aims to examine and analyze the influence of Transformational Leadership and Organizational Culture on Employee Performance through High-Performance Work System as a mediating variable at the Makassar Type B Customs and Excise Supervision and Service Office. This study uses a quantitative approach involving 126 employees as respondents. Data were collected through questionnaires and analyzed using Structural Equation Modeling–Partial Least Squares (SEM-PLS). The results show that Transformational Leadership has a positive but insignificant effect on Employee Performance and Organizational Culture has a positive but insignificant effect on Employee Performance. High-Performance Work System has a positive and significant effect on Employee Performance. Transformational Leadership and Organizational Culture each have a positive and significant effect on High-Performance Work System. Furthermore, High-Performance Work System is able to positively and significantly mediate the influence of Transformational Leadership and Organizational Culture on Employee Performance. These results indicate that High-Performance Work System plays a full mediation role in both relationships. These findings confirm that improving Employee Performance is more effective when Transformational Leadership and Organizational Culture are realized through a human resource management system that increases employee capabilities, motivation, and opportunities to participate.

INTRODUCTION

Rapidly changing strategic environments require public sector organizations to maintain service quality, effective oversight, accountability, and the sustainable achievement of organizational targets. Technological advancements, the digitization of work processes, regulatory changes, demands for transparency, and rising stakeholder expectations mean that the success of government organizations increasingly depends on the quality of their human resources. Employees are not only required to complete tasks according to standards, but also

to be productive, adaptable, collaborative, and maintain high-quality work results in a variety of situations.

Employee performance is a crucial factor in achieving organizational goals because it reflects individual behavior and work outcomes that contribute to organizational effectiveness. Abbasi et al. (2022) explain that individual job performance is a multidimensional construct encompassing task performance, contextual performance, adaptive performance, and counterproductive work behavior. Therefore, employee performance is not only related to completing primary tasks but also to the ability to contribute to the organizational environment, adapt to change, and maintain work behaviors that support goal achievement.

The importance of employee performance is increasingly evident in government organizations that carry out both service and oversight functions, such as the Makassar Type B Customs and Excise Supervision and Service Office. This agency is a vertical unit of the Directorate General of Customs and Excise that carries out service, supervision, treasury, counseling, internal compliance, and data processing and document administration functions. The complexity of its functions and work areas that cover a number of districts/cities in South Sulawesi makes employees a strategic element in achieving organizational goals.

The achievements of the Makassar B Customs Office (KPPBC) during the 2023–2025 period show positive developments. The Organizational Performance Score increased from 115.99 in 2023 to 116.81 in 2024 and again to 119.15 in 2025. In 2023, 18 of the 20 Key Performance Indicators were achieved, while in 2024 and 2025, all 20 indicators successfully met the targets. The realization of employee competency improvement is also at a high level, namely 99.13% in 2023, 98.46% in 2024, and 98.18% in 2025.

This situation suggests that the research phenomenon lies not in low organizational performance, but rather in how these high achievements can be maintained and strengthened sustainably. Success in one period does not automatically guarantee success in the next, especially when organizations face regulatory dynamics, service digitization, technological developments, changes in the external environment, target achievement pressures, and demands for competency improvement. Therefore, sustainable performance requires leadership support, an organizational culture, and a human resource management system capable of directing employee capabilities into optimal work contributions.

One factor that can influence employee performance is transformational leadership. Transformational leadership emphasizes the leader's ability to lead by example, build vision and motivation, provide intellectual stimulation, and address individual development needs. Northouse (2022) defines transformational leadership as an approach that enables leaders to influence and transform followers so they can contribute beyond routine tasks. These characteristics are relevant for public organizations facing constant change, as employees need leaders who not only provide instructions but also explain the direction of change and build readiness to address it.

At the Makassar Type B Customs Office (KPPBC), the relevance of leadership is evident through the implementation of the Organizational Performance Dialogue, a structured

communication mechanism between leaders and employees to discuss strategic achievement, performance, and follow-up plans. However, the existence of formal communication mechanisms does not fully reflect Transformational Leadership. Its effectiveness is also determined by the extent to which employees perceive leadership as role models, inspiration, motivation, intellectual stimulation, and individual attention.

Previous research has shown inconsistent results regarding the influence of Transformational Leadership on Employee Performance. Tran and Hoang (2024) found that Transformational Leadership is related to job performance in public organizations, with employee participation and public service motivation as mechanisms that contribute to explaining this relationship. Widianto and Wilderom (2023) also showed that Transformational Leadership can be an important resource that builds psychological capital and subsequently improves performance. Conversely, Meiryani et al. (2022) found that Transformational Leadership did not have a significant effect on employee performance. Nelly et al. (2024) also found that the direct effect of Transformational Leadership on performance was positive but insignificant and became more meaningful through competency. These differences indicate that Transformational Leadership does not always directly result in performance and may require specific organizational mechanisms.

In addition to transformational leadership, organizational culture plays a crucial role in shaping employee behavior and performance. Schein and Schein (2017) explain that organizational culture relates to the values, assumptions, and perspectives that develop within an organization and serve as guidelines for members in carrying out their work. A culture that supports innovation, attention to detail, results orientation, concern for people, teamwork, and proactive behavior can shape work patterns that support the achievement of organizational goals.

Organizational culture has a strong relevance to the Makassar Type B Customs Office. High-performance organizations are required to have a work culture that is effective and efficient, objective, open, adaptive, creative, innovative, and learning-oriented. Strengthening integrity, work attitudes, competencies, and implementing a learning organization are also part of the internal development process. This culture is expected to not only be a normative value but also be manifested in employee behavior and work systems.

The relationship between organizational culture and employee performance also shows mixed findings. Pham et al. (2024) found that various dimensions of organizational culture have a positive influence on employee performance. However, Ranihusna et al. (2023) showed that organizational culture does not have a significant direct effect on performance, but its influence can occur through job satisfaction. This inconsistency indicates that organizational values and norms do not necessarily automatically improve employee performance if they are not translated into concrete human resource management practices and work systems.

This situation opens up the opportunity to position the High-Performance Work System (HPWS) as a mechanism explaining the influence of Transformational Leadership and Organizational Culture on Employee Performance. Kaushik and Mukherjee (2021) define

HPWS as a set of integrated human resource management practices designed to improve human resource quality and performance. Therefore, HPWS is understood not merely as the existence of individual human resource programs, but as a system that consistently connects various employee management practices.

The mechanism of a high-performance work system can be explained through the Ability–Motivation–Opportunity (AMO) perspective. Bos-Nehles et al. (2023) explain that human resource management practices can be grouped into those that enhance employee capabilities, enhance motivation, and enhance opportunities for employee participation and contribution. These three elements are essential mechanisms that enable human resource management systems to produce better behavior and performance.

At the Makassar Customs Office B, various practices align with the characteristics of a High-Performance Work System exist, such as in-house training, workshops, regulatory internalization, skills development, fulfillment of job competency standards, and the implementation of a learning organization. These practices demonstrate efforts to improve employee capabilities and readiness. However, the existence of formal programs does not necessarily equate to employee perceptions that these practices have been integrated into a High-Performance Work System. Therefore, it is important to examine how the system is perceived and how it impacts performance.

Previous research indicates that HPWS are generally associated with positive work outcomes. Shi et al. (2024) demonstrated a relationship between perceived HPWS and individual performance. However, other research indicates that the direct effect of HPWS on performance is not always significant and may require specific mechanisms. This discrepancy indicates that there remains a black box regarding how human resource management practices translate into improved performance.

In this study, the High Performance Work System is also positioned as a mechanism that translates Transformational Leadership into Employee Performance. Leaders can provide vision, motivation, stimulation, and individual attention, but improving performance requires a system that allows employees to obtain skills development, performance management, information, opportunities for participation, and space to utilize their competencies. Ehrnrooth et al. (2023) emphasized that leadership and HRM research often develop separately, so understanding the joint effects of Transformational Leadership and HPWS still needs to be developed.

Winarto and Mas'ud (2025) demonstrated that a High-Performance Work System can bridge the influence of Transformational Leadership on Employee Performance. However, this research was conducted in the banking sector, thus differing in characteristics from public organizations that perform service, oversight, state revenue, and law enforcement functions. This indicates a contextual gap that remains open for further study.

High-Performance Work Systems also have a strong basis for mediating the influence of Organizational Culture on Employee Performance. Culture provides values and norms that guide behavior, while High-Performance Work Systems can translate these values into HR

management practices. Srivastava and Rao (2025) found that Organizational Culture significantly encourages the implementation of HPWS and that HPWS is able to mediate the relationship between Organizational Culture and employee performance. However, this study did not simultaneously integrate Transformational Leadership and Organizational Culture as two factors that encourage the formation of High-Performance Work Systems.

Based on previous research, several research gaps underlie this study. First, there is an empirical gap because the direct influence of Transformational Leadership and Organizational Culture on Employee Performance has not shown consistent results. Second, there is a mechanism gap regarding how leadership and culture factors are translated into Employee Performance through the human resource management system. Third, there is a model gap because previous research tends to examine Transformational Leadership or Organizational Culture separately in relation to HPWS. Fourth, there is a contextual gap because most research is conducted in banking, education, health, service companies, or public organizations outside the context of customs and excise.

The novelty of this research lies in the integration of Transformational Leadership and Organizational Culture as two organizational factors tested simultaneously against Employee Performance with a High-Performance Work System as a mediating variable. The model allows the research to explain not only whether leadership and culture directly produce performance, but also how these two factors are translated through human resource management practices that increase employee capabilities, motivation, and opportunities to participate. Contextual novelty also lies in testing the model in a public organization with a high level of organizational performance, so that the focus of the research is not merely to improve low performance, but also to explain the mechanisms for maintaining sustainable performance.

To address this research gap, this study uses a quantitative approach with Structural Equation Modeling–Partial Least Squares (SEM-PLS). This method is used to simultaneously test the direct influence of Transformational Leadership and Organizational Culture on Employee Performance, the influence of both on High-Performance Work Systems, the influence of High-Performance Work Systems on Employee Performance, and the indirect influence through a mediation mechanism.

Based on the description, this study aims to test and analyze the influence of Transformational Leadership and Organizational Culture on Employee Performance, the influence of Transformational Leadership and Organizational Culture on High Performance Work Systems, the influence of High Performance Work Systems on Employee Performance, and the role of High Performance Work Systems in mediating the influence of Transformational Leadership and Organizational Culture on Employee Performance at the Makassar Type B Customs and Excise Supervision and Service Office.

RESEARCH METHODS

This study uses a quantitative approach with explanatory research and causal associative relationships. The research design is cross-sectional because data collection was conducted over

a specific period. The study aims to examine the influence of Transformational Leadership and Organizational Culture on Employee Performance, both directly and through the High-Performance Work System as a mediating variable.

The research was conducted at the Makassar Type B Customs and Excise Supervision and Service Office located at Jl. Hatta No. 2, Butung, Wajo District, Makassar City, South Sulawesi. The research took place from July to September 2026. The research population was all State Civil Apparatus at the Makassar Type B Customs and Excise Office, totaling 126 employees. The sampling technique used saturated or census sampling, so that all members of the population were used as research respondents.

Data collection was conducted through questionnaires as the primary data source and documentation as supporting data. The questionnaire used a five-point Likert scale, ranging from strongly disagree to strongly agree. All statements were structured in a positive manner based on the indicators of each research variable. Documentation was used to obtain supporting information regarding the organization's profile, number of employees, and performance achievements.

Table 1. Operationalization of research variables

Variables	Definition Operational	Indicator
Leadership Transformational (X1)	Perception employee about ability leadership in become role model , giving inspiration And motivation , encouragement thinking creative , and give attention to need And development individual	Influence ; Motivation Inspirational ; Stimulation Intellectual ; Individual Attention
Culture Organization (X2)	Perception employee about values , norms , beliefs , and pattern adopted behavior together as well as become guidelines in carry out work And reach objective organization	Innovation And Retrieval Risk ; Caution Attention to Detail; Orientation on Results ; Orientation on Human ; Orientation on Team; Aggressiveness / Orientation Proactive
System Work High Performance (Z)	Perception employee to implementation a set practice management source Power integrated human For increase ability , motivation , and chance participate	Practice Improvement Ability ; Practice Improvement Motivation ; Practice Improvement Chance Participate
Performance Employee (Y)	Behavior And achievement Work employee in carry out task main , adjust self to changes , and give contribution positive to organization	Performance Tasks ; Performance Adaptive ; Performance Contextual

The operationalization of these variables refers to four dimensions of Transformational Leadership, six indicators of Organizational Culture, three indicators of High Performance Work Systems, and three indicators of Employee Performance.

Data analysis was conducted using descriptive statistics and Structural Equation Modeling–Partial Least Squares (SEM-PLS). Descriptive statistics were used to describe the tendencies of respondents' responses through the average, minimum, and maximum values for each variable. Furthermore, SEM-PLS was used to simultaneously test the measurement and structural models.

Evaluation of the measurement model or outer model was conducted to assess the validity and reliability of the construct through convergent validity, discriminant validity, loading factor, Average Variance Extracted (AVE), Cronbach's Alpha, and Composite Reliability. Evaluation of the structural model or inner model was conducted through R-Square, path coefficient, and the significance of the relationship between variables.

Hypothesis testing was conducted through a bootstrapping procedure with the criteria of a t-statistic > 1.96 and a p-value < 0.05 at a 5% significance level. Direct effect testing was used to test H1 to H5, while indirect effect testing was used to test H6 and H7. A High-Performance Work System is declared to have a mediating role if the indirect effect shows a t-statistic > 1.96 and a p-value < 0.05.

RESULTS AND DISCUSSION

This study involved 126 employees of the Makassar Type B Customs and Excise Supervision and Service Office. Respondents were predominantly male (100 people) (79.37%), while female (26 people) were female. Based on age, the 30–39 year old and 40–49 year old groups each numbered 47 people (37.30%). Based on length of service, most respondents had a work period of 10–20 years (58 people) (46.03%), followed by a work period of 21–30 years (46.51%). In terms of education, the majority of respondents had a Bachelor's degree (S1) of 62 people (49.21%) and a Master's degree (S2) of 30 people (23.81%). These characteristics indicate that most respondents were of productive age, had relatively long work experience, and had an adequate educational background to assess the research variables.

Descriptive Analysis of Research Variables

The results of the descriptive analysis show that all research variables are in the very good category.

Table 2. Description of research variables

Variables	Mean	Category
Leadership Transformational	4.33	Very Good
Culture Organization	4.35	Very Good
System Work High Performance	4.35	Very Good
Performance Employee	4.34	Very Good

Transformational Leadership received an average score of 4.33. Respondents perceived the strongest aspect as related to the leader's ability to motivate employees to achieve better work results, while the relatively weaker aspect was related to the leader's ability to convey organizational goals in a way that galvanized work enthusiasm. Nevertheless, overall, leaders were perceived as capable of being role models, providing motivation, encouraging creative thinking, and paying attention to employee development.

Organizational Culture received an average score of 4.35. The highest aspect relates to the opportunities given to employees to try more effective work methods, while the relatively lower aspect relates to the organization's attention to employee needs and development. These results indicate that the organization has a culture that supports innovation, thoroughness, results orientation, teamwork, employee attention, and a proactive attitude.

The High-Performance Work System also received an average score of 4.35. The strongest aspect was the opportunity to participate in competency development activities that support work. Meanwhile, support for knowledge and skills development received a relatively lower score. This indicates that the implementation of practices to improve abilities, motivation, and opportunities for participation has been very successful, although knowledge and skills development can still be strengthened.

Employee performance received an average score of 4.34, categorized as very good. The ability to adapt to changes in procedures or work methods was one of the strongest aspects, while the ability to complete work on time received a relatively lower score. Overall, employees were able to carry out their duties, adapt to change, learn new skills, assist coworkers, and make positive contributions to the organization.

Evaluation of Measurement Model

Evaluation of the measurement model was carried out through outer loading, Average Variance Extracted (AVE), Heterotrait-Monotrait Ratio (HTMT), Cronbach's Alpha, rho_A, and Composite Reliability.

In Transformational Leadership, the outer loading is in the range of 0.710–0.825, while Organizational Culture is in the range of 0.780–0.832. High Performance Work System has an outer loading of 0.668–0.810 and Employee Performance 0.757–0.788. The HPWS1 indicator has a value of 0.668 or slightly below 0.70, but is maintained because the AVE value and reliability of the High Performance Work System construct have met the required criteria.

Table 3. Results of construct validity and reliability

Variables	AVE	Cronbach's Alpha	rho_A	Composite Reliability
Leadership Transformational	0.583	0.763	0.775	0.848
Culture Organization	0.641	0.888	0.892	0.914
System Work High Performance	0.561	0.704	0.710	0.792
Performance Employee	0.599	0.769	0.774	0.818

All constructs had an AVE greater than 0.50, thus meeting convergent validity. Cronbach's Alpha, rho_A, and Composite Reliability values were also all above 0.70, thus the constructs were declared reliable.

Discriminant validity based on HTMT has also been met. HTMT values between variables range from 0.673 to 0.894, all below the 0.90 threshold. Thus, Transformational Leadership, Organizational Culture, High-Performance Work Systems, and Employee Performance can be empirically distinguished from one another.

Structural Model Evaluation

Collinearity testing showed that all Variance Inflation Factor (VIF) values were within the range of 1.848–2.190, or less than 5.00. Thus, the model does not experience collinearity issues that could interfere with the estimation of relationships between variables.

Table 4. R-Square and Q²predict Results

Endogenous Variables	R-Square	Adjusted R-Square	Q²predict	Information
System Work High Performance	0.459	0.448	0.418	Moderate And own relevance predictive
Performance Employee	0.515	0.499	0.276	Moderate And own relevance predictive

The R-Square value of High Performance Work System of 0.459 indicates that Transformational Leadership and Organizational Culture are able to explain 45.9% of the variation of High Performance Work System, while the other 54.1% is explained by factors outside the model. Meanwhile, the R-Square value of Employee Performance of 0.515 indicates that Transformational Leadership, Organizational Culture, and High Performance Work System are able to explain 51.5% of the variation of Employee Performance.

The Q²predict value for High-Performance Work Systems is 0.418 and for Employee Performance is 0.276. Both values are greater than zero, indicating that the model has predictive relevance for the endogenous variables.

Table 5. Results of effect size (f²)

Connection Intervariable	f²	Category
Leadership Transformational → Performance Employee	0.007	Very small
Culture Organization → Performance Employee	0.010	Very small
System Work High Performance → Performance Employee	0.391	Big
Leadership Transformational → System Work High Performance	0.160	Currently
Culture Organization → System Work High Performance	0.109	Small

The largest effect size was found in the influence of High-Performance Work Systems on Employee Performance, at 0.391. These results indicate that High-Performance Work Systems play a significant role in explaining Employee Performance. Conversely, the direct influence of Transformational Leadership and Organizational Culture on Employee Performance showed a very small effect size.

Hypothesis Testing

Table 6. Results of hypothesis testing

Hypothesis	Connection Intervariable	Coefficient	T-Statistics	P-Values	Decision
H1	Leadership Transformational → Performance Employee	0.084	0.756	0.450	Rejected
H2	Culture Organization → Performance Employee	0.100	0.758	0.448	Rejected
H3	System Work High Performance → Performance Employee	0.592	4,877	0,000	Accepted
H4	Leadership Transformational → System Work High Performance	0.404	3,397	0.001	Accepted
H5	Culture Organization → System Work High Performance	0.333	2,533	0.011	Accepted
H6	Leadership Transformational → System Work High Performance → Performance Employee	0.239	2,639	0.008	Accepted
H7	Culture Organization → System Work High Performance → Performance Employee	0.197	2,206	0.027	Accepted

The test results show that H1 and H2 are rejected, while H3 to H7 are accepted. Transformational Leadership and Organizational Culture do not have a significant direct influence on Employee Performance, but both have a positive and significant influence on High Performance Work Systems. High Performance Work Systems then have a positive and significant influence on Employee Performance and are able to act as a mediator in both relationships.

The Influence of Transformational Leadership on Employee Performance

Transformational Leadership has a positive but insignificant effect on Employee Performance with a coefficient of 0.084, T-Statistics of 0.756, and P-Values of 0.450, so H1 is rejected. The effect size of 0.007 also indicates that the direct contribution of Transformational Leadership to Employee Performance is very small.

The findings indicate that role models, inspirational motivation, intellectual stimulation, and individual attention from leaders have not directly become the main factors determining Employee Performance. This condition is understandable because work at KPPBC Type Madya Pabean B Makassar is carried out within a relatively structured organizational system, with established regulations, operational standards, performance targets, and work management mechanisms.

The study's results align with Meiryani et al. (2022), who found that transformational leadership did not significantly impact employee performance. These findings also align with Nelly et al. (2024), who found a positive but insignificant direct impact on performance. However, the study's results differ from those of Tran and Hoang (2024) and Widianto and Wilderom (2023), who demonstrated the role of transformational leadership in boosting performance.

Research findings indicate that the influence of transformational leadership is more effective when translated into human resource management mechanisms. This is evident in the significant influence of transformational leadership on high-performance work systems, while its direct effect on employee performance is insignificant.

The Influence of Organizational Culture on Employee Performance

Organizational Culture has a positive but insignificant effect on Employee Performance with a coefficient of 0.100, T-Statistics of 0.758, and P-Values of 0.448, so H2 is rejected. The effect size value of 0.010 also indicates a very small direct contribution.

These findings indicate that the values of innovation, attention to detail, results orientation, people orientation, teamwork, and proactive behavior do not automatically translate into improved employee performance. Culture serves as a guide for organizational behavior, but its benefits to performance require translation into concrete policies and work practices.

The research results align with Ranihusna et al. (2023), who found that organizational culture does not have a significant direct impact on performance and that its influence may operate through other variables. Conversely, these results differ from Pham et al. (2024), who found a positive effect of organizational culture on employee performance.

At the Makassar Type B Customs Office (KPPBC), organizational culture plays a more significant role when these values are translated into a high-performance work system. A culture that supports learning can encourage competency development, a results-oriented culture can strengthen performance management, and a collaborative and people-oriented culture can increase employee participation.

The Impact of High-Performance Work Systems on Employee Performance

High Performance Work System has a positive and significant effect on Employee Performance with a coefficient of 0.592, T-Statistics of 4.877, and P-Values <0.001, so H3 is accepted. The effect size value of 0.391 is included in the large category and is the largest effect size in the research model.

These findings indicate that integrated human resource management practices are a critical factor in achieving employee performance. Capacity-building practices enable employees to develop knowledge and skills aligned with job demands. Motivation-boosting practices encourage employees to deliver their best results, while participation-boosting practices provide opportunities for employees to express ideas and participate in problem-solving.

The research results align with Shi et al. (2024) who demonstrated a positive relationship between perceived high-performance work systems and individual performance. An integrated human resource management system can create conditions that enable employees to have the skills, motivation, and opportunities to make optimal contributions.

These findings also support the Ability–Motivation–Opportunity perspective. Performance is more easily achieved when employees have the ability to perform their work, the motivation to deliver their best results, and the opportunity to participate and utilize their abilities.

The Influence of Transformational Leadership on High-Performance Work Systems

Transformational Leadership has a positive and significant effect on High-Performance Work Systems with a coefficient of 0.404, T-Statistics of 3.397, and P-Values of 0.001, so H4 is accepted. The effect size value of 0.160 indicates a moderate influence.

These results indicate that the leadership's ability to be a role model, provide motivation, encourage creative thinking, and pay attention to employee development can support the implementation of human resource management practices that increase ability, motivation, and opportunities to participate.

Intellectual stimulation can encourage employees to express ideas and try new approaches to work. Individual attention can help organizations identify competency development needs, while inspirational motivation can reinforce practices that encourage results-oriented employees.

This finding aligns with Winarto and Mas'ud (2025), who demonstrated the link between transformational leadership and high-performance work systems in boosting employee performance. Leadership, therefore, operates not only through interpersonal relationships between leaders and employees but also through strengthening employee management systems.

The Influence of Organizational Culture on High-Performance Work Systems

Organizational Culture has a positive and significant effect on High Performance Work Systems with a coefficient of 0.333, T-Statistics of 2.533, and P-Values of 0.011, so H5 is accepted. The effect size value of 0.109 indicates a small influence, but remains statistically significant.

A culture that encourages innovation provides space for employees to develop ideas and develop more effective ways of working. Attention to detail and a results-oriented approach can strengthen performance management systems, while a people-oriented and team-oriented approach supports employee skill development and participation. A proactive culture also encourages the organization to provide opportunities for employees to take initiative and contribute to job improvements.

The research findings align with Srivastava and Rao (2025), who found that organizational culture significantly drives the implementation of a high-performance work

system. Thus, culture can serve as a foundation for the development of an integrated human resource management system.

From the Ability–Motivation–Opportunity perspective, a learning and development culture can foster ability, a results-oriented culture can increase motivation, while a collaborative and proactive culture can expand employees' opportunities to participate.

The Role of High-Performance Work Systems in Mediating the Effect of Transformational Leadership on Employee Performance

The indirect effect of Transformational Leadership on Employee Performance through High Performance Work Systems has a coefficient of 0.239, T-Statistics of 2.639, and P-Values of 0.008, so H6 is accepted.

Transformational Leadership does not directly influence Employee Performance, but has a positive and significant effect on High-Performance Work Systems. Furthermore, High-Performance Work Systems also have a positive and significant effect on Employee Performance. This pattern indicates that High-Performance Work Systems act as a full mediator (indirect-only mediation).

These findings indicate that vision, role modelling, inspiration, intellectual stimulation, and individual attention from leaders are not enough to directly improve performance. The impact of leadership becomes more evident when translated into competency development practices, performance management systems, recognition for work results, and opportunities for employees to contribute ideas and participate in problem-solving.

This finding aligns with Winarto and Mas'ud (2025), who demonstrated that a High-Performance Work System (HWS) can bridge the influence of Transformational Leadership on employee performance. Thus, leadership provides direction and support, while the HWS serves as an organizational mechanism that transforms that direction into employee capability, motivation, participation, and ultimately, performance.

The Role of High-Performance Work Systems in Mediating the Influence of Organizational Culture on Employee Performance

The indirect effect of Organizational Culture on Employee Performance through High Performance Work Systems has a coefficient of 0.197, T-Statistics of 2.206, and P-Values of 0.027, so H7 is accepted.

Organizational culture does not have a significant direct impact on employee performance, but it has a positive and significant impact on high-performance work systems. High-performance work systems, in turn, have a positive and significant impact on employee performance. Based on this pattern, high-performance work systems act as a full mediation (indirect-only mediation).

These findings suggest that organizational values and norms alone are insufficient to improve performance at the cultural level. A culture that encourages innovation, thoroughness,

results orientation, concern for people, teamwork, and proactive behavior needs to be embodied in concrete human resource management practices.

The research findings align with Srivastava and Rao (2025), who demonstrated that a High-Performance Work System (HWS) mediates the relationship between organizational culture and employee performance. Culture provides the foundation for how employees should work, while a High-Performance Work System operationalizes that foundation through practices that enhance capabilities, motivation, and opportunities for participation.

Overall, the study shows that the High Performance Work System has a strategic position in the model. Transformational Leadership and Organizational Culture both do not have a significant direct influence on Employee Performance, but both are able to improve the High Performance Work System. The system then becomes a factor that strongly improves Employee Performance. This finding confirms that the sustainability of performance at KPPBC Type Madya Pabean B Makassar is not enough only through strengthening leadership or cultural values, but requires a human resource management system that is able to transform both into increased employee capabilities, motivation, participation, and work contributions.

CONCLUSION AND SUGGESTIONS

Conclusion

The results of the study indicate that Transformational Leadership has a positive but insignificant effect on Employee Performance, so H1 is rejected. Organizational Culture also has a positive but insignificant effect on Employee Performance, so H2 is rejected. These findings indicate that leadership that is able to provide role models, motivation, intellectual stimulation, and individual attention as well as a culture that supports innovation, thoroughness, results orientation, attention to people, teamwork, and a proactive attitude has not directly resulted in a significant increase in Employee Performance.

High-Performance Work Systems are proven to have a positive and significant effect on Employee Performance, so H3 is accepted. Transformational Leadership has a positive and significant effect on High-Performance Work Systems, so H4 is accepted, while Organizational Culture also has a positive and significant effect on High-Performance Work Systems, so H5 is accepted. These results indicate that leadership and organizational culture have a more tangible role when translated into human resource management practices that improve employee capabilities, motivation, and opportunities to participate.

High Performance Work System is able to positively and significantly mediate the influence of Transformational Leadership on Employee Performance, so that H6 is accepted. High Performance Work System is also able to positively and significantly mediate the influence of Organizational Culture on Employee Performance, so that H7 is accepted. Because the direct influence of Transformational Leadership and Organizational Culture on Employee Performance is not significant, while the indirect influence through High Performance Work System is significant, then High Performance Work System plays a role as a full mediation in both relationships.

Overall, the study confirms that improving and sustaining employee performance at the Makassar Type B Customs and Excise Supervision and Service Office cannot simply rely on leadership quality and strong organizational culture. These two factors need to be realized in a High-Performance Work System through practices of capacity building, motivation enhancement, and opportunities for participation, resulting in more optimal work contributions.
CHAPTER V

Suggestion

The Makassar B Customs Office (KPPBC) needs to prioritize the High Performance Work System in human resource management because it has been proven to have a significant direct impact on employee performance and also serves as a mediating mechanism for transformational leadership and organizational culture. Strengthening can be done through continuous competency development, a performance management system that can increase motivation, and providing wider opportunities for employees to participate in decision-making and work problem solving.

The application of Transformational Leadership needs to be directed not only at providing role models, motivation, intellectual stimulation, and individual attention, but also at the leader's ability to translate these leadership behaviors into concrete employee management practices. Leaders also need to improve communication regarding the organization's vision, goals, and targets in a clearer, more consistent, and more inspiring manner to inspire employee enthusiasm and engagement.

Organizational culture needs to be continuously strengthened through the internalization and implementation of the values of innovation, attention to detail, results orientation, employee engagement, teamwork, and proactiveness in daily work activities. These values need to be integrated with High Performance Work System policies and practices so that they become more than just organizational norms but also have a tangible impact on employee behavior and performance.

Knowledge and skills development programs also need to be strengthened through training, in-house training, workshops, coaching, mentoring, and knowledge sharing tailored to job requirements. Organizations also need to expand the space for employees to express ideas, provide input, and participate in problem-solving to enhance employee creativity, responsibility, collaboration, and contribution to organizational goals.

This study was limited to a single public sector organization with a cross-sectional design, so the results need to be considered within the context of the organization's characteristics. Future research could expand the model by incorporating variables such as work motivation, employee engagement, competence, job satisfaction, or perceived organizational support. Further research could also be conducted in other public sector organizations using a longitudinal or mixed methods approach to gain a broader understanding of the mechanisms that shape employee performance.

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