

SYSTEMATIC LITERATURE REVIEW OF LEADERSHIP CHANGE AND EMPLOYEE ROTATION ON PUBLIC ORGANIZATIONAL PERFORMANCE AT THE DIRECTORATE GENERAL OF TAXES

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Abstract. This study analyzes the influence of leadership change and employee rotation on organizational performance in public organizations through a Systematic Literature Review (SLR). The study collected scientific articles indexed in Scopus and Google Scholar using Publish or Perish. The selected literature was analyzed using the PRISMA procedure and bibliometric analysis with VOSviewer to identify research trends, dominant topics, and relationships among variables. The findings indicate that leadership change and employee rotation affect organizational effectiveness, employee competence, work motivation, and organizational adaptability. Competency-based leadership change tends to strengthen strategic direction and organizational performance, while employee rotation contributes to competence development, work flexibility, and productivity. However, inappropriate leadership placement and rotation that do not match employee competence may reduce organizational effectiveness, especially in hierarchical public organizations with high performance pressure. The review identifies organizational culture, communication systems, competency management, and employee adaptability as important conditions that shape the effectiveness of both policies. In the context of the Directorate General of Taxes, the findings underline the importance of competency-based human resource management in supporting bureaucratic reform and sustainable performance improvement.

Keywords: Leadership Change; Employee Rotation; Organizational Performance; Public Organization; Systematic Literature Review; Directorate General of Taxes

I. INTRODUCTION

Bureaucratic reform remains a central agenda of the Indonesian government in building effective, professional, and service-oriented public governance. The reform agenda does not only focus on administrative improvement. It also places human resource capacity at the center of public organizational transformation. In the public sector, the quality of human resources determines service effectiveness, organizational accountability, and institutional target achievement. Public organizations therefore need continuous human resource transformation to improve organizational performance.

The Directorate General of Taxes (DGT) is one of the government institutions that consistently implements bureaucratic reform through organizational renewal, business process improvement, information technology development, and human resource strengthening. Tax reform since 2002 and the current third phase of tax reform place organization and human resources as key pillars of modern tax administration. The DGT reform agenda seeks to build a strong, credible, and accountable institution that can optimize state revenue through adaptive organization, business processes, and human resources (DGT, 2025).

One strategy widely used in public human resource management is leadership change. Leadership change functions as an organizational mechanism for introducing new strategic direction, strengthening adaptability, and improving institutional performance in a changing environment. Niroomand et al. (2020) showed that leadership change can improve organizational performance when supported by adequate managerial capacity. Spears-Jones et al. (2021) also found that leadership change combined with strengthened leadership behavior and coaching can improve public sector effectiveness.

Employee rotation is another important instrument for public organizational development. Rotation broadens competence, increases work flexibility, reduces work monotony, and strengthens cross-functional understanding. Mlekus (2021) found that job rotation has positive relationships with organizational learning, psychological health, job satisfaction, and organizational performance. However, leadership change and employee rotation do not always produce positive results. Foroutan (2021) found that poorly planned rotation can create role ambiguity, work stress, anxiety, and negative work behavior.

These mixed findings show that the effect of leadership change and employee rotation on public organizational performance remains inconsistent. The effect depends on organizational context, policy implementation, and human resource readiness. Existing studies have mostly examined private organizations, while research on hierarchical, target-driven, and compliance-oriented public organizations remains limited. Previous studies have also rarely synthesized the mediating and moderating variables that shape the relationship between leadership change, employee rotation, and public organizational performance.

Based on this gap, this study conducts a Systematic Literature Review to synthesize empirical findings on leadership change and employee rotation in public organizations. The Directorate General of Taxes is used as a relevant public organization context because it has a hierarchical bureaucracy, high performance targets, and dynamic leadership and employee mobility. This study addresses three questions: how leadership change affects public organizational performance; how employee rotation affects individual and organizational performance; and which patterns, mediating variables, or organizational conditions strengthen or weaken those effects.

Leadership Change

Leadership change refers to the replacement of organizational leaders to renew strategy, improve organizational effectiveness, and strengthen the ability to respond to environmental change. In transformational leadership theory, leadership change can increase motivation, work culture, and organizational performance through inspirational influence, intellectual stimulation, and the leader's ability to guide change. In public organizations, leadership change is closely related to bureaucratic reform and public service quality because leaders determine policy direction and organizational effectiveness.

Previous studies show that leadership change can influence organizational performance positively or negatively, depending on context and implementation. Niroomand et al. (2020) found that leadership change improves performance when supported by managerial capacity and organizational readiness. Soebbing et al. (2021) explained that leadership change shapes employees' expectations and perceptions of performance, especially in organizations with strong targets and high change pressure. Conversely, Akbar et al. (2021) found that frequent leadership change can reduce stability and disrupt coordination, which may lower organizational performance.

Employee Rotation

Employee rotation is a human resource development strategy carried out by moving employees across positions,

work units, or functions. Based on human capital theory, rotation develops employee competence, skills, and work experience through varied tasks and work environments. Job characteristics theory also explains that work variety can improve intrinsic motivation, job satisfaction, and employee effectiveness.

Prior studies indicate that rotation can improve individual and organizational performance. Mlekus (2021) found that job rotation positively affects organizational learning, job satisfaction, psychological health, and performance. Ravikumar et al. (2022) also showed that rotation can improve employee performance through motivation and competence development. However, Foroutan (2021) found that poorly designed rotation can lead to stress, role ambiguity, and reduced employee performance. Al-Shboul et al. (2022) also reported that rotation not based on competence can harm motivation and organizational performance.

Organizational Performance

Organizational performance refers to the degree to which an organization achieves its goals, targets, and work effectiveness. In public organizations, performance includes not only productivity but also service quality, accountability, efficiency, and responsiveness to public needs. Balanced Scorecard theory views performance through several perspectives, including finance, internal processes, organizational learning, and stakeholder satisfaction.

Leadership quality and human resource management strongly shape organizational performance. Leadership change and employee rotation are strategic tools for creating adaptive, competitive, and effective organizations. The success of both policies depends on organizational culture, merit systems, employee readiness, and organizational stability. Therefore, the relationship among leadership change, employee rotation, and organizational performance needs comprehensive analysis in public organizations such as the Directorate General of Taxes.

Transformational leadership theory suggests that leadership change may increase motivation and organizational effectiveness through a new vision and work culture. Human capital theory suggests that employee rotation improves human resource quality through competence and experience development. Based on this theoretical foundation, this study proposes three hypotheses: H1, leadership change affects organizational performance in public organizations; H2, employee rotation affects organizational performance in public organizations; and H3, leadership change and employee rotation simultaneously affect organizational performance in public organizations.

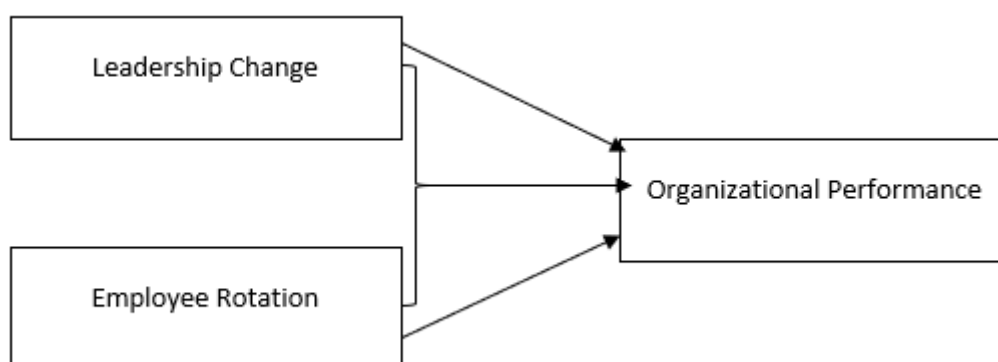


Figure 1. Conceptual Framework

Source: Author's analysis (2026)

III. METHOD

This study used a Systematic Literature Review (SLR) with a descriptive qualitative approach to synthesize studies on the effect of leadership change and employee rotation on organizational performance in public organizations. The research process consisted of problem identification, literature search, article selection, data extraction, analysis, and synthesis. Articles were searched using Publish or Perish from Scopus and Google Scholar with the keywords “leadership change,” “employee rotation,” “job rotation,” “organizational performance,” and “public organization.” The population consisted of all scientific articles relevant to the topic, while the sample included articles that met inclusion and exclusion criteria based on topic relevance, publication year, and data completeness. The selection

process followed the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) procedure.

Data were collected through documentation study and electronic literature search. The collected articles were classified by variable, method, and findings using a data extraction sheet. The data were analyzed descriptively through reduction, categorization, and synthesis. Connected Papers was used to map research linkages, while VOSviewer was used to conduct bibliometric analysis and visualize keyword networks and research trends related to leadership change and employee rotation. Data trustworthiness was strengthened through systematic literature selection and careful checking of article relevance to the study objectives.

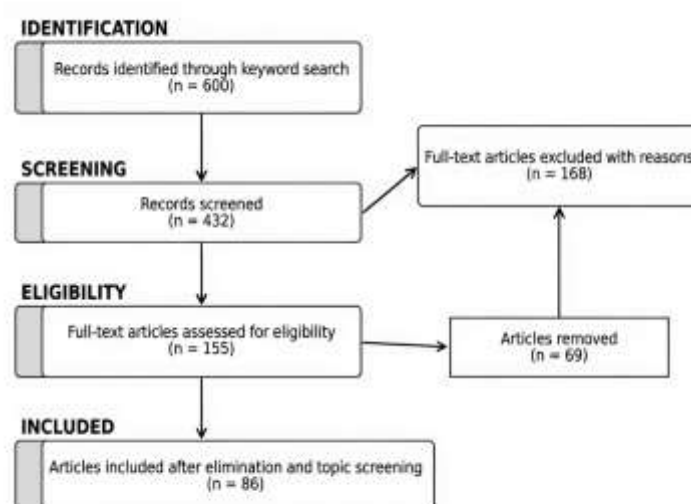


Figure 2. PRISMA Diagram

Source: Author's analysis (2026)

IV. RESULTS AND DISCUSSION

Literature Selection and Article Characteristics

The selection process produced 20 main articles used as the sample in this Systematic Literature Review. The selected articles came from reputable national and international journals and addressed leadership change, employee rotation, and organizational performance. Most studies used quantitative designs and focused on the public sector, service organizations, education, banking, and industry. The articles were considered relevant because they provided empirical contributions to human resource management and public organization studies.

The article characteristics show that studies on leadership change and employee rotation have developed significantly in recent years. Most articles were published between 2022 and 2025. The dominant research focus was

the effect of job rotation and leadership change on organizational performance, work motivation, job satisfaction, and employee competence development. The dominant method was quantitative research using surveys and statistical analysis.

The most frequent variables were leadership change, employee rotation, job satisfaction, employee performance, organizational commitment, and organizational performance. Recent studies increasingly connect rotation and leadership change with competence development, organizational adaptability, and bureaucratic reform effectiveness. This trend indicates that leadership change and employee rotation are no longer treated only as administrative policies. They are increasingly viewed as organizational strategies for improving public organizational effectiveness and competitiveness.

Table 1. Characteristics of SLR Articles

No.	Authors	Title	Citations	Year	Publisher
1	Aldaihani et al.	The Impact of Job Rotation on Employee Performance in Kuwait Civil Service	61	2022	Journal of Public Administration
2	Rashid et al.	Job Rotation as Leadership Development Strategy	55	2022	International Journal of Human Resource Studies
3	Suleman et al.	Job Rotation and Employee Performance in Educational Administration	48	2022	Education Management Journal
4	Belsito & Reutzel	Leadership Change and Organizational Performance Appraisal	42	2020	Journal of Organizational Management
5	Ruiz-Palomino	Leadership and Organizational Behavior in Public Organizations	40	2025	Organizational Studies Journal
6	Young et al.	Leadership Rotation and Organizational Stability	37	2024	Public Administration Review
7	Harbani et al.	Literature Review on Job Rotation in Human Resource Management	33	2022	Human Resource Review
8	Gubicza & Remsei	Job Rotation Management in Automotive Industry	31	2023	International Business Review
9	Jasmine & Kania	The Effect of Job Rotation on Employee Performance	29	2022	Journal of Management Studies
10	Shiddiqy & Sopiah	Systematic Literature Review of Job Rotation Benefits	27	2023	Jurnal Riset MSDM
11	Zaey et al.	Job Rotation and Job Satisfaction in Ship Management Industry	25	2023	Maritime Business Review
12	Jackson	Leadership and Workforce Adaptation in Public Service	22	2023	Public Sector Management Journal
13	Sari et al.	Work Rotation and Organizational Culture in Manufacturing Industry	21	2023	Asian Management Journal
14	Simamora & Sihombing	Job Transfer and Job Rotation on Employee Performance	18	2023	Jurnal Manajemen Indonesia
15	Al-Zoubi	Human Resource Rotation and Knowledge Management	17	2025	International Journal of Public Organization
16	Prasetyo & Syarifuddin	Workload, Rotation, and Training toward Employee Performance	16	2024	Jurnal Ekonomi dan Bisnis
17	Antoro & Widiastuti	Job Rotation and Employee Performance at the Yogyakarta Customs Office	14	2023	Jurnal Administrasi Publik
18	Susilo et al.	Job Rotation Strategy toward Employee Productivity	13	2023	Jurnal Manajemen SDM
19	Mada & Ramiz	Job Rotation, Stress, and Job Satisfaction in State-Owned Banks	11	2026	Human Resource Development Journal
20	Supriadi & Zahra	Job Rotation and Employee Engagement in Banking Sector	9	2026	Journal of Banking Management

Source: Author's analysis (2026)

Bibliometric Analysis Using VOSviewer

The bibliometric analysis used VOSviewer to map research development, keyword relationships, and topic linkages related to leadership change, employee rotation,

and organizational performance. The analysis identified dominant themes, research trends, and future research opportunities through network visualization, overlay visualization, and density visualization.

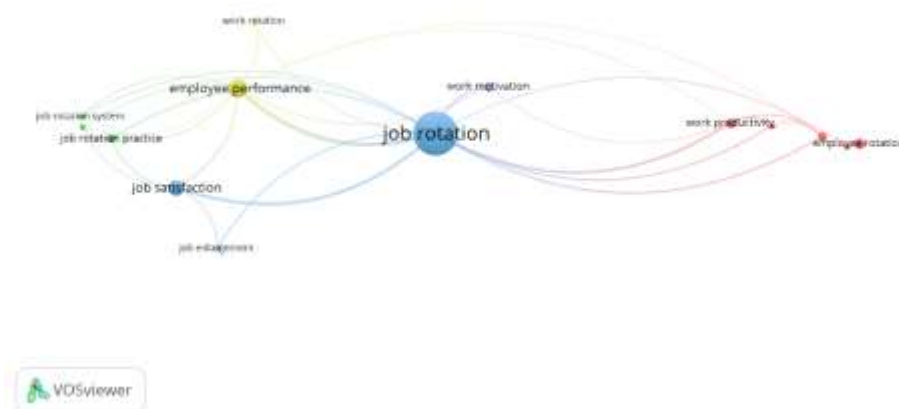


Figure 3. Network Visualization

Source: VOSviewer output processed by the authors (2026)

The network visualization shows keyword relationships in studies on job rotation, leadership change, and organizational performance. The keyword job rotation is the central node and has strong links with employee performance, job satisfaction, work productivity, employee rotation, and work motivation. This pattern shows that rotation studies mainly focus on effects on employee performance, work motivation, and organizational productivity.

The network also shows several related research clusters. The first cluster links job rotation, employee performance, and job satisfaction. The second connects work productivity and employee rotation. Another cluster links work motivation and job rotation. These clusters suggest that job rotation has developed beyond administrative staffing into a strategy for competence development, motivation, satisfaction, and overall organizational performance.



Figure 4. Overlay Visualization

Source: VOSviewer output processed by the authors (2026)

The overlay visualization indicates that research on job rotation has increased in recent years. Earlier studies, shown in darker colors, tended to focus on work motivation and job

satisfaction. More recent studies, shown in green to yellow, shifted toward employee performance, work productivity, and employee rotation.

This trend demonstrates a movement from individual employee outcomes toward broader organizational performance and sustainability. Rotation is increasingly

understood as a policy for competence development, productivity enhancement, and public organizational effectiveness.

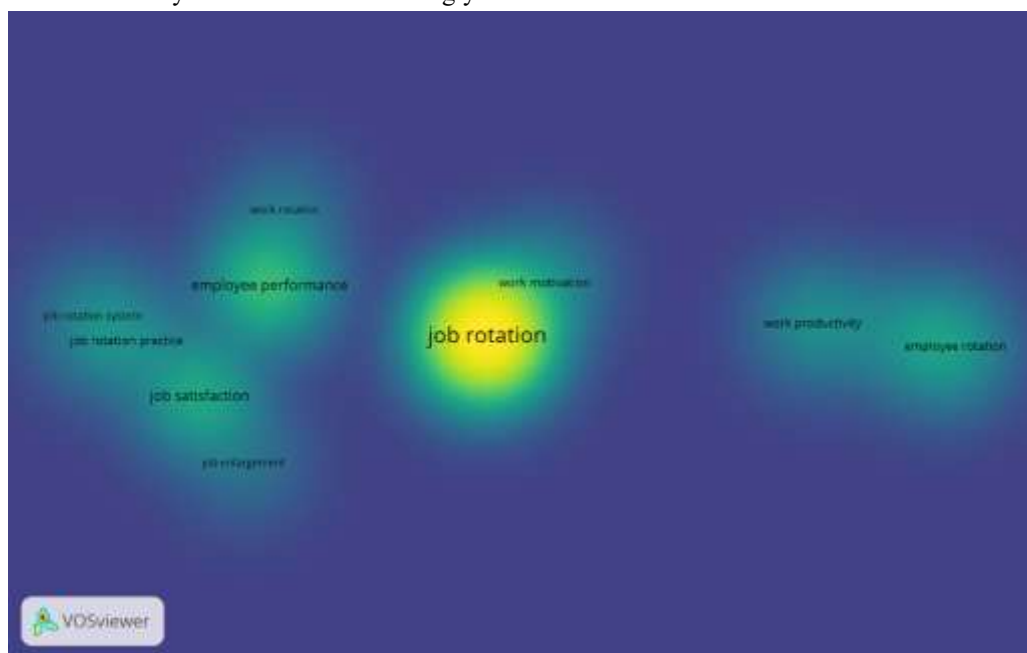


Figure 5. Density Visualization

Source: VOSviewer output processed by the authors (2026)

The density visualization shows the intensity of keyword occurrence in studies on job rotation and organizational performance. Yellow areas indicate highly dense topics, while green and blue areas indicate less frequently studied themes. Job rotation appears as the dominant keyword because it is located at the center of the visualization and has the brightest density.

Other prominent topics include employee performance, job satisfaction, and work productivity. Topics such as employee rotation, job enlargement, and work rotation show lower density, which indicates opportunities for further research. Future studies can develop integrated models that connect rotation, competence development, organizational culture, adaptation, bureaucratic reform, and leadership change in public organizations such as the Directorate General of Taxes.

Literature Synthesis

The Effect of Leadership Change on Organizational Performance

Leadership change significantly affects organizational performance, especially in organizations facing reform, target pressure, or strategic change. Most studies show that leadership replacement can renew organizational direction, improve decision-making effectiveness, and accelerate adaptation to changing work environments. In public sector studies, leadership change is also associated with stronger organizational discipline, work culture, and inter-unit coordination.

However, leadership change does not always improve performance. Several studies found that rapid, unplanned, or non-competency-based leadership replacement can create instability, lower employee motivation, trigger internal conflict, and disrupt program continuity. In bureaucratic and hierarchical organizations, leadership change can also generate employee resistance when it changes work patterns, policies, and communication styles. Its effectiveness depends on the new leader's ability to build legitimacy, trust, and internal stability.

The Effect of Employee Rotation on Organizational Performance

The reviewed studies show that employee rotation is widely used to improve organizational performance. Rotation allows employees to gain broader work experience, understand different units, and develop diverse competencies. Job variation can also reduce boredom and increase motivation. In public organizations, greater motivation and competence contribute to better service quality, productivity, and target achievement.

The effectiveness of employee rotation depends on implementation quality and organizational readiness. Rotation based on competence, organizational needs, and career development tends to produce stronger performance outcomes. Rotation that only serves administrative needs or ignores competency matching can reduce productivity during the early placement period. In hierarchical public organizations with high performance pressure, its effectiveness is shaped by organizational culture,

communication systems, and management support during the transition.

Patterns and Research Tendencies

The review identifies a relatively consistent pattern: leadership change and employee rotation are linked to improved organizational performance when supported by competency fit and adaptive organizational systems. Leadership change can renew strategy and strengthen work culture, while rotation can improve competence, work motivation, and organizational flexibility. In public organizations, both variables are often used as instruments of bureaucratic reform and human resource strengthening.

The differences among prior findings are influenced by organizational characteristics, work culture, management systems, and implementation quality. Organizations with adaptive cultures and strong human resource development systems tend to implement leadership change and employee rotation more successfully. Organizations with rigid bureaucracy and weak communication tend to experience greater implementation barriers. Differences in research objects, methods, and public-private contexts also explain the variation in findings.

Discussion

The synthesis shows that leadership change and employee rotation in public organizations depend strongly on competency matching. The reviewed studies indicate that both policies generate positive effects when implemented according to organizational needs, individual capacity, and employee readiness. In contrast, competency mismatch during leadership replacement or employee rotation can reduce effectiveness, slow adaptation, and increase dependence on a limited number of employees who understand core business processes.

This finding is relevant to the Directorate General of Taxes, which has experienced leadership and employee mobility as part of bureaucratic reform and organizational transformation. Tax reform places human resources, business processes, and competence development as important components of organizational effectiveness and revenue optimization (Directorate General of Taxes, 2023). In implementation, organizational change and rotation require competence readiness, adaptability, and technical understanding of tax business processes so that transitions do not reduce service quality or organizational stability.

The review also finds several factors that strengthen or weaken the effect of leadership change and employee rotation: organizational culture, competence development systems, internal communication, and employee adaptability. In the DGT context, strong coordination and knowledge transfer systems can help preserve performance stability when leadership changes or large-scale employee rotation occurs.

Most prior studies still examine leadership change and employee rotation separately. In practice, both policies often occur together and influence organizational stability and performance at the same time. Leadership change followed

by employee rotation may increase the risk of reduced effectiveness if not supported by sufficient competence readiness and transition systems. This study therefore emphasizes the need to integrate leadership change and employee rotation through competency-based human resource management.

IV. CONCLUSION

This study shows that leadership change and employee rotation significantly affect organizational performance in public organizations. Planned and competency-based leadership change can improve organizational effectiveness, strengthen coordination, and support organizational adaptation. Employee rotation contributes to competence development, work flexibility, and equal distribution of employee experience. However, the effectiveness of both policies depends on organizational culture, competence fit, communication systems, and organizational readiness to manage change.

Competency mismatch in employee rotation and leadership change can reduce organizational effectiveness, especially in public organizations with bureaucratic structures and high performance targets such as the Directorate General of Taxes. Therefore, leadership change and employee rotation need strategic and competency-based implementation to support bureaucratic reform and sustainable performance improvement. The study contributes theoretically by integrating both variables in one review and practically by highlighting the importance of adaptive human resource management in modern public organizations.

Public organizations should strengthen competency-based human resource systems in implementing leadership change and employee rotation. Rotation and leadership replacement should consider not only administrative needs but also competence fit, career development patterns, and employee readiness. Organizations also need training, knowledge transfer, and adaptation mechanisms so that change can proceed effectively without disrupting performance stability. For the Directorate General of Taxes, the findings support integrated rotation and leadership policies that align with talent management and competency mapping. Future studies should test the relationship among leadership change, employee rotation, and other organizational variables in Indonesian government institutions through empirical research designs.

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