ABSTRACT

This study is based on the research gap from several previous studies related to the relationship between transactional leadership and employee performance. First, the previous researchers proved that transactional leadership has a significant positive effect on employee performance. Second, there were some findings revealed that transactional leadership has a significant negative effect on employee performance. Third, there were another findings concluded that transactional leadership has no effect on employee performance.

Based on these inconsistent findings, it is very interesting and motivates the recent researcher to conduct further study to analyze and confirm the relationship between transactional leadership and employee performance, by offering a new concept, i.e., harmonization of work relation which has a strong potential and can mediate the relationship between these variables. Furthermore, several research questions posed in this study are (1) whether transactional leadership has a positive effect on employee performance and harmonization of work relation; (2) whether employee well-being support has a positive effect on employee performance and harmonization of work relation; (3) whether harmonization of work relation has a positive effect on employee performance and OCB-altruism; and (4) whether OCB-altruism has a positive effect on employee performance.

The sampling technique in this study used purposive sampling on 212 respondents from 11 stone milling companies in Central Java Province - Indonesia. Furthermore, the collected data was processed and analyzed using AMOS 24 software.

The results of this study found that:

1. Transactional leadership has a positive and significant effect on employee performance. The dimension of transactional leadership that plays the most dominant role is contingent reward (i.e., on the indicators of encouraging work performance, responsible for employee work achievements, giving awards, and assessing work based on work results). Then, it is followed by the active management by exception dimension (i.e., on the indicators of determining work standards, assessing work errors, and focusing on work success). Last, it is followed by the passive management by exception dimension (i.e., on the indicators of fixing work errors, giving sanctions for work errors, and reacting to work problems).
2. Transactional leadership has a positive and significant effect on the harmonization of work relation. Transactional leadership plays an important role in increasing employee motivation to generate new ideas and ways of solving problems, encouraging the ability to negotiate, communicate, as well as collaborate with others to achieve competitive advantage and organizational effectiveness.
3. Employee well-being support has a positive and significant effect on employee performance. The indicator of employee well-being support that plays the most dominant role is facilitating a balance between work and personal life, followed

by ensuring job security, providing decent salaries and benefits, and encouraging comfortable supervision.

4. Employee well-being support has a positive and significant effect on the harmonization of work relation. High well-being support to employees makes them appear more happy, higher actively involved in the organization, more interested in work, and extra understanding with their co-workers.
5. Harmonization of work relation has a positive and significant effect on employee performance. The indicator of harmonization of work relation which plays the most dominant role is investing time in work, then followed by giving new ideas, sharing information intensely, caring for co-workers, and caring for the surrounding environment.
6. Harmonization of work relation has a positive and significant effect on OCB-altruism. Employees who have a harmonious work relation appear more dedicated to work, have a strong drive to achieve the goals and tend to engage in altruistic behaviors.
7. OCB-altruism has a positive and significant effect on employee performance. The indicator of OCB-altruism that plays the most dominant role is volunteering to help co-workers who have work-related problems, then followed by taking time to help co-workers and giving sincere respect to co-workers. Employees who have high OCB-altruism have a strong psychological attachment to the organization that encourages them to contribute to the organization both formally and informally by displaying their best performance.

There are some limitations that need to be specified in this study.

1. This study only investigates and explores one business sector in Central Java Province - Indonesia, namely the stone milling sector. Therefore, it may not be wise to generalize the findings of this study to all sectors in Central Java Province.
2. In terms of respondents' answers to open-ended questions, this study found that around 8% of respondents did not respond to open-ended questions related to the OCB-altruism and employee well-being support support in their organization. This is due to the lack of free time invested by respondents to complete the answers to these open-ended questions.
3. The sampling design used in this study is purposive sampling which is considered more easy, faster and more efficient. The main drawback with this type of sampling, there is no guarantee that the sample size used is representative in terms of numbers. Therefore, to obtain more useful and generalizable findings, further research should consider using a better sampling design such as random sampling, either simple random, stratified, systematic or clustered random sampling.

Some recommendations and suggestions are needed to be clearly stated inthis study for the sustainability and effectiveness of future research.

1. This study recommends to test the same construct to all sectors (both construction, health, education, hospitality, non-profit, and MSME) in Central Java - Indonesia which allows the entire population to be presented more effectively.
2. Because the use of purposive sampling in this study has limitations and is not as good as random sampling, further research needs to use a better sampling design such as random sampling, either simple random, stratified, systematic or clustered random sampling.
3. Because this study only uses one method of data collection and analysis i.e., quantitative, future research needs to use mixed methods, namely quantitative and qualitative to provide a deeper finding and clear understanding to the reader.
4. Future research needs to examine the role of another leadership styles and variables (such as leader-follower fit, gender-matched leaders and followers, and individual orientation) to improve employee performance. In addition, the longitudinal method may allow a better observation of cause-and-effect relationships between investigated variables.

Keywords: Transactional Leadership, Well-being support, Harmonization of work relation, OCB Altruism, Employee performance

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