ABSTRACT

Some researchers found that the influence of leadership to employee performance remains in the black box since there were many inconsistencies in findings. So, it is suggested to explore moderating and mediating variables in the influence of leadership to employee performance. This research explores employee conscientiousness and emotional stability as moderating variables in the influence of leadership to employee performance. 504 employees from manufacturing companies in central java and Jogyakarta Indonesia participated in this research. This research found several result.

First, there is a direct positive influence of transactional leadership to employee in-role and extra-role performance. Second, the influence of transactional leadership to employee in-role performance will be stronger in employee with high conscientiousness and high emotional stability. Third, the influence of transactional leadership to employee extra-role performance will be stronger in employee with high conscientiousness. Fourth, the influence of transactional leadership to employee extra-role performance will be weaker in employees with high emotional stability.

Keywords: transactional leadership, in-role performance, extra-role performance, conscientiousness, emotional stability
1. INTRODUCTION

Leadership is a topic that becomes an interest for many researchers. Most research in this area examined the direct effect of leadership to performance. Studies then develop to examine the moderating and mediating variables in the influence of leadership to performance (Jung & Avolio, 2000). These studies provide support for the direct effect, moderated effect, and mediated effect of leadership influence to performance. This study uses the terminology of transactional leadership as leadership role which uses reward and punishment as an attempt to create employee performance.

This study explores in-role and extra-role performance as measures of employee performance. The use of in-role performance measures has not been able to describe employee performance as a whole because it only measures the performance of how well an employee works in accordance job descriptions and the results achieved. When competition intensifies, companies need every employee to perform better. In-role performance measure is insufficient because the employee is usually not work alone, but also work with other colleagues. Therefore, we need a second measure the performance called extra-role performance.

Extra-role performance is performance measure that includes things that are not required in the job description and not related to the compensation system, but doing so would improve the effectiveness of the organization as a whole (Mackenzie et al., 2001). Using in-role and extra-role performance measures becomes critical, as organizations need employees who are able to do a good job and are also willing to make a special role beyond his/her core functions (Werner, 2000). One aspect of extra-role performance is the cooperation between the employees in terms of how much an employee is willing to support and help colleagues. Extra-role performance measures is important, because employee with high extra-role performance, will have higher willingness to help colleagues. This will also increase in-role performance of each employee.

This study chooses conscientiousness and emotional stability as moderating variables in the influence of leadership to employee performance. Conscientiousness relates to how well employees have the awareness to work properly. People with high conscientiousness will achieve higher performance than employees with low levels of conscientiousness. Therefore, the same instructions of a leader may be differently obeyed based on the level of employee conscientiousness. Conscientiousness may moderate the influence of leadership on performance because employees with high conscientiousness will respond better with a supervisor instructions, so that he/she will perform better. In another word, leadership effects on performance will be stronger on employees with a high level of conscientiousness.

Emotional stability is associated with a person's ability to face pressures. People with high emotional stability is more resistant to pressures. Therefore, the same instructions of the leader can differently influence people with different levels of emotional stability.

Theoretical background and Hypotheses

Based on Bass (1985) and Antonakis & House (2014), transactional leadership is split into two principal components, namely contingent reward and management by exception as efforts to make employees to perform well. Contingent reward includes clarification of work to do to get the reward, and the use of incentives to influence the motivation (Bass, 1985).

Management by exception is the behavior of a manager who insists on efforts to make sure employees work the required procedures, and the use of corrective action in response to any deviation
from the existing procedures (Bass, 1985). Bass (1985) divides this construct into two aspects: management by exception active and passive.

The active nature of the management by exception appears in supervisor’s effort to constantly monitors the actions of employees to ensure that the employees work according to stipulated procedures to avoid mistakes. The nature of the passive management by exception appears in their supervisor action after becoming a serious problem or an error occurs and also the form of the provision of warning or penalty if the employee works outside the procedures which led to an error in their work. Therefore, differences in the nature of the active and passive management by exception is at the time the action employer on the employee performed before or after the occurrence of an error.

Research on Direct Effect of Leadership to Performance

Research on the direct effect on the leadership to performance is concerned with how a leader's behavior will directly affect performance. Avolio, Waldman, and Einstein (1988), Deluga (1988), Hater and Bass (1988), Howell and Avolio (1993), Kirkpatrick and Locke (1996), and Politis (2002) are researchers in this aspects. Those research defined the dependent variables in various ways that include: organizational effectiveness (Avolio, Waldman, & Einstein, 1988; Howell & Avolio, 1993), individual performance (Kirkpatrick & Locke, 1996; Politis, 2002), and performance measures according MLQ (multifactor leadership questionnaire) which are the effectiveness of leaders and subordinates satisfaction on the leader (Deluga, 1988; Hater & Bass, 1988).

Avolio, Waldman, and Einstein (1988) uses several criteria for organization effectiveness: market share, debt to equity ratio, return on assets, stock price and earnings per share. They examined the effects of transformational and transactional leadership practices on measures such performance in a managerial simulation involving 190 students of master of business administration program. They found a positive relationship between transactional and transformational leadership to the organization effectiveness.

Howell and Avolio (1993) using consolidated-business-unit performance as criteria for organization effectiveness. By using the 78 respondents managers of major financial institutions in Canada, they found several things: transformational leadership is associated with performance; transactional leadership is negatively related to performance; and support for innovation moderate the relationship transformational leadership performance.

Kirkpatrick and Locke (1996) manipulates three components (vision, implementation of the vision, and communication style) in crossed experimental design with 282 respondents from advanced business-class students to predict the performance and attitudes of individuals. They found that the vision affect performance weakly and strongly influence attitudes. Their other findings is the implementation of the vision in the form of task cues affect the quality and quantity of performance and communication styles affect only the perception of charisma.

Other research using individual performance as dependent variable described by Politis (2002). He examined the role of transformational and transactional leadership in the process of knowledge acquisition by using structural equation modeling. He found all the elements of multifactor leadership questionnaire unless management by exception attributes associated with knowledge acquisition, personal trait and control related to actual performance, and control associated with perceived performance.
In addition to the use of the organization's performance and the individual performance as many variables as described, there is also research the use of performance measures described in MLQ. Deluga (1988) used a manager-employee influencing dynamics (covering friendliness, bargaining, reason, assertiveness, higher authority, and the coalition), and performance criteria in accordance MLQ (which includes satisfaction with the leader and the effectiveness of the leader) as explanatory variables and elements transformational and transactional leadership accordance MLQ as explanatory variables. They use 400 employees as the manufacturing company respondents and found that transformational and transactional leadership is inversely related to employee influencing behavior. They also found that the relationship between upward employee influencing behavior with transactional leadership is more powerful than with transformational leadership. In addition, they also found that transformational leadership is more related to the effectiveness of leaders and subordinates’ satisfaction the leader than transactional leadership.

Hater and Bass (1988) replicate the augmentation effect earlier research by using satisfaction with the leader and leader effectiveness as part MLQ described as dependent variable. They use elements of transformational and transactional leadership of MLQ. By using subordinate managers in the delivery company as respondents, they discovered several things. The first finding them is no support for the allegations augmentation effect. Their second finding is transformational leadership and ordinary differentiating top performing managers.

This research gives support to the common view that states that leadership is one of the things that will affect the performance. Nevertheless, the majority of research still focuses on the organization's performance and the performance of the leader, but do not emphasize the performance of subordinates, so it requires a lot of emphasis on leadership research on the subordinate (Ehrhart & Klein, 2001). Deficiency that will be addressed in this study is to highlight the impact of the behavior of the leader to performance of subordinates.

Researches on Moderating Variables in the Influence of Leadership to Performance

In addition to research on the direct influence of leader behavior to performance, there is also research on leadership that emphasizes the moderating variable in the influence of leader behavior to performance. Some moderating variables used include: humor by the leader (Avolio, Howell, & Sosik, 1999), transformational leadership training (Barling, Weber, & Kelloway, 1996; Dvir, Eden, Avolio, & Shamir, 2002), occupation (Keller, 1992), and employee motive (Wofford, Whittington, & Goodwin, 2001).

Avolio, Howel, and Sosik (1999) examined the relationship between leadership style, the use of humor, and employee performance. They use leaders and employees of financial institutions in Canada as respondents. They found that the influence of leadership to performance of individual and business unit is moderated by the use of humor by the leader. The interesting thing of their research is the use of humor by the leader will strengthen the influence of leader behavior to performance of subordinates.

The use of transformational leadership training as moderating variable was researched by Barling, Weber, and Kelloway (1996) and Dvir, Eden, Avolio, and Shamir (2002). Barling, Weber, and Kelloway (1996) using a pretest-posttest control-group design to assess the effect of transformational leadership training to bank employees performance. They found that transformational leadership training will produce a significant effect on the perception of subordinates on transformational leadership, influence the organizational commitment of subordinates, and affect its financial performance. Thus,
transformational leadership training will moderate the influence of transformational leadership to performance.

Dvir, Eden, Avolio, and Shamir (2002) conducted a longitudinal and randomized experiment on the effect of transformational leadership training on the development and performance in the context of military leaders and followers. They found that transformational leadership training given to the group leader, has a direct positive impact on the development of subordinates. In addition, there is also an indirect positive impact on the performance of subordinates, in the sense that a subordinate who led a group leader in the training of transformational leadership has a better performance than the subordinate group leader who had no training transformational leadership.

Keller (1992) examined the influence of transformational leadership to project group's performance in the three research and development organization. By using professional respondents on three research and development organization, they found that transformational leadership can predict the project's quality and high performance, as measured by budget / schedule. They also found that the type of research and development will moderate the relationship of transformational leadership and performance, as well as more transformational behaviors predict the performance of research and development rather than transactional behavior.

Wofford, Whittington, and Goodwin (2001) examined the subordinates’ situational motive as potential moderators of the effectiveness of transformational leadership. They found that the need for autonomy and growth need strength moderate the influence of transformational leadership to performance.

These studies show that there has been many researches on moderating variables in the relationship between leader behavior and performance. Many researchers with a variety of moderating variables managed to find support on the variables that moderate the relationship of leader behavior and performance. Thus, the strength of the direct relationship between leader behavior and performance is also influenced by other variables.

**Personality Dimensions as Moderating Variables Between Leader Behavior and Performance**

Personality is a pattern of behavior, thoughts, and emotions that are unique and relatively stable of a person (Greenberg, 2003). It causes personality can explain why a person do certain things (Hogan, 2000). Many researchers define personality into five-factor model of personality or five factor models of personality (Digman, 1990; Barrick & Mount, 1991; McCrae & John, 1992). Five-factor model of personality says there are five personality factors include openness to new experience, conscientiousness, extraversion, agreeableness, and emotional stability.

Five-factor model of personality is widely selected because it is the most comprehensive model of personality, so it is widely used in research on personality (Barrick & Mount, 1991). This study adopts the five-factor model of personality, but it does not take five personality factors as a whole. The study only choose conscientiousness and emotional stability as the moderating variable in the influence of transactional leadership to performance.

Conscientiousness is often interpreted as personal competence, compliance, self-discipline, and approval. Characteristics of people with a high level of conscientiousness are: always have a desire to improve the way work, organized in everything, has high urge for achievement, always complete tasks in a structured and always plan everything. In addition, other researchers said that, people with
Conscientiousness usually has a clear goal, have a strong determination, timely, well-planned, able to work effectively, able to motivate yourself, and reliable (Barrick & Mount, 1991; Moberg, 1999).

Emotional stability is characterized by people who are not easy to worry, not easily scared, rarely feel inferior, resilient, not easily stressed, easygoing, and remain calm in the face of everything (Barrick & Mount, 1991; Moberg, 1999).

**The Influence of Transactional Leadership to Performance**

Transactional leadership is an attempt manager affects employee to manage their needs and interests (Bass, 1985). This is based on the argument that, every employee has a need and desire that he wants to fulfill. A transactional manager tries to meet the needs of employees so that employees work the employer expectations (Iscan, et al., 2014).

Transactional leadership influence on employee performance based on the assumption that the behavior that got reinforcement will be repeated and behavior that is ignored will be lost (Skinner, 1953 as cited in Greenberg, 2003). In the context of transactional leadership, giving a superior reward for the good performance will make the employees work better. On the other hand, if the well perform employee is not rewarded, employees will not work properly anymore. Therefore, what happens in the transactional leadership is a reciprocal relationship between the employer and the employee, which then the mutual relations will determine the behavior of employees (Bass, 1985; Pillai et al., 1999). Thus formulated the hypothesis:

H1a: Transactional leadership has positive influence to employee in-role performance

H1b: Transactional leadership has positive influence to employee extra-role performance

**Conscientiousness and Emotional Stability as Moderating Variables in the influence of Transactional Leadership to Performance**

Employees can perceive leaders differently depending on the characteristics of the employees. In other words, the behavior of the same leaders are often percepted differently by different employees. Employees with high levels of conscientiousness would receive the leaders’ instruction better than employees with low level of conscientiousness. This is due to the employees with a high level of conscientiousness tend to perform better. Therefore, the transactional behavior of the leader will have bigger impact on employee performance with a high level of conscientiousness. Thus the hypothesis is formulated as follows:

H2a: The influence of transactional leadership to in-role performance will be stronger on employees with a high level of conscientiousness than the employees with lower levels of conscientiousness.

H2b: The influence of transactional leadership to extra-role performance will be stronger on employees with a high level of conscientiousness than the employees with lower levels of conscientiousness.

On the other hand, emotional stability describes different thing. Employees with high emotional stability are less likely to be afraid, not anxious, and not easily worried. This kind of employees will face their challenges wisely. Therefore, they would be able to better respond leader’s transactional leadership. Transactional leader behaviors are frequently seen as a threat by employees with low levels of emotional stability, so that the leaders transactional behavior will have less influence on performance. Thus the hypothesis is formulated as follows:
H2C: The influence of transactional leadership to in-role performance will be stronger on employees with high levels of emotional stability rather than on employees with low levels of emotional stability.

H2D: Effects of transactional leadership to extra-role performance will be stronger on employees with high levels of emotional stability rather than on employees with low levels of emotional stability.

2. METHODS

Sample and Procedures

Respondents are administrative staff on some major manufacturing companies in Yogyakarta, Semarang and Solo in Indonesia. Sample selection is based on specific criteria (purposive sampling) or work tenure is more than one year.

To increase response rate of the the questionnaire, researchers gave souvenirs for every questionnaire returned. Anonymity is assured to maintain the objectivity of the respondents because there are parts of the questionnaire which asks respondents to give an opinion about the leadership of their immediate supervisor. 705 questionnaires were distributed to employees of nine companies that are willing to be surveyed and 554 questionnaires returned, so the response rate amounted to 78.6%.

Table 1
Respondents Demographic Characteristics

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sex</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>296</td>
<td>58.7</td>
</tr>
<tr>
<td>Female</td>
<td>208</td>
<td>41.3</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>until 25</td>
<td>66</td>
<td>13.1</td>
</tr>
<tr>
<td>26 – 30</td>
<td>131</td>
<td>26</td>
</tr>
<tr>
<td>31 – 35</td>
<td>106</td>
<td>21.2</td>
</tr>
<tr>
<td>36 – 40</td>
<td>88</td>
<td>17.5</td>
</tr>
<tr>
<td>41 – 45</td>
<td>71</td>
<td>14.1</td>
</tr>
<tr>
<td>46 – 50</td>
<td>29</td>
<td>5.8</td>
</tr>
<tr>
<td>&gt;50</td>
<td>12</td>
<td>2.4</td>
</tr>
<tr>
<td><strong>Marriage Status</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Married</td>
<td>371</td>
<td>73.6</td>
</tr>
<tr>
<td>Not Married</td>
<td>133</td>
<td>26.4</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High School</td>
<td>251</td>
<td>49.8</td>
</tr>
<tr>
<td>Diploma 1</td>
<td>32</td>
<td>6.3</td>
</tr>
<tr>
<td>Diploma 3</td>
<td>73</td>
<td>14.5</td>
</tr>
</tbody>
</table>
 Measures

Transactional leadership is a manager's effort to influence employees by managing their self interest (Bass, 1985). Transactional leadership behavior was measured with 12 items from multifactor Leadership Questionnaire (MLQ) 5X version developed by Bass (1985). Sampel item to measure transactional leadership is "my manager describes remuneration that would be obtained if someone reached performance goals".

Conscientiousness is an element of personality associated with the person's willingness to work properly covering their personal competence, compliance, and self-discipline. An employee with a high degree of conscientiousness, usually have a high awareness to work properly, and do things to support its performance. 12 items on the statement form NEO FFI (NEO Five Factor Inventory) developed by McCrae (1992) was used to measure conscientiousness personality. Sample item for this variable is "I'm very well organize to complete the work on time".

Emotional stability is a personality characteristic that is characterized by people who are not easy to worry, not easily scared, rarely feel inferior, resilient, not easily stressed, easygoing, and remain calm in the face of everything. 12 items on the statement form NEO FFI (NEO Five Factor Inventory) developed by McCrae (1992) was used to measure the emotional stability personality. Sample item for this variable is "I often feel lower than other people".

In-role performance is a measure of performance that is tied to how well an employee perform tasks according to his/her job description. This variable was measured by items statement developed by Williams and Anderson (1991). Sample item from the statements for this variable (item 7 statement there) is "I accomplish the tasks assigned to me well".

Extra-role performance of a particular behavior in a work that is not part of the job description, is not related to the payroll system, but it is believed to improve the performance of their functions become more effective organizations. Items for measuring extra-role performance were developed from MacKenzie et al. (1999). Sample item for this variable is "I am willing to take the time to help colleagues who have difficulty in working".

<table>
<thead>
<tr>
<th>Work Tenure</th>
<th>Until 5 years</th>
<th>6 – 10 years</th>
<th>11 – 15 years</th>
<th>16 – 20 years</th>
<th>21 – 25 years</th>
<th>26 – 30 years</th>
<th>More than 30 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bachelor Degree</td>
<td>147</td>
<td>135</td>
<td>108</td>
<td>54</td>
<td>34</td>
<td>14</td>
<td>2</td>
</tr>
<tr>
<td>Master Degree</td>
<td>1</td>
<td>0.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3. RESULT

After conducting factor analysis for testing data quality, revealing that most of questionanaire items are valid, then reliability analysis was conducted. Descriptive data for all the variables used in this study can be seen in Table 2.

Table 2

<table>
<thead>
<tr>
<th>Variabel</th>
<th>Cronbach Alpha</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>TS</th>
<th>PC</th>
<th>PES</th>
<th>KIR</th>
<th>KER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transactional leadership</td>
<td>.705</td>
<td>2.9772</td>
<td>.87116</td>
<td>1</td>
<td>.101*</td>
<td>.045</td>
<td>.124**</td>
<td>.162**</td>
</tr>
<tr>
<td>Conscientiousness</td>
<td>.776</td>
<td>4.0246</td>
<td>.46570</td>
<td>.101*</td>
<td>1</td>
<td>.144**</td>
<td>.497**</td>
<td>.359**</td>
</tr>
<tr>
<td>Emotional Stability</td>
<td>.739</td>
<td>3.2747</td>
<td>.61992</td>
<td>.045</td>
<td>.144**</td>
<td>1</td>
<td>.218**</td>
<td>.049</td>
</tr>
<tr>
<td>In-role Performance</td>
<td>.784</td>
<td>4.2806</td>
<td>.61494</td>
<td>.124**</td>
<td>.497**</td>
<td>.218**</td>
<td>1</td>
<td>.374**</td>
</tr>
<tr>
<td>Extra-role Performance</td>
<td>.828</td>
<td>3.5641</td>
<td>.72140</td>
<td>.162*</td>
<td>.359*</td>
<td>.049</td>
<td>.374*</td>
<td>1</td>
</tr>
</tbody>
</table>

* or ** showing significant correlation

The entire value of Cronbach Alpha which are above 0.6 indicates that the entire instrument used to measure all the variables has good reliability. Thus, the entire instrument meets the reliability criteria. The analysis then be continued to the hypotheses testing. Table 3 below summarizes the hypotheses testing.
### Table 3

Direct and Moderating Effect of Transactional Leadership to Performance

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Independent Variable</th>
<th>Sample</th>
<th>Beta</th>
<th>t value</th>
<th>sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-Role Performance</td>
<td>Transactional Leadership</td>
<td>All Respondents</td>
<td>0.087</td>
<td>2.797</td>
<td>0.005</td>
</tr>
<tr>
<td>Extra-Role Performance</td>
<td>Transactional Leadership</td>
<td>All Respondents</td>
<td>0.134</td>
<td>3.678</td>
<td>0.001</td>
</tr>
<tr>
<td>In-Role Performance</td>
<td>Transactional Leadership</td>
<td>Low Conscientiousness</td>
<td>0.06</td>
<td>1.156</td>
<td>0.249</td>
</tr>
<tr>
<td>In-Role Performance</td>
<td>Transactional Leadership</td>
<td>High Conscientiousness</td>
<td>0.073</td>
<td>2.128</td>
<td>0.034</td>
</tr>
<tr>
<td>Extra-Role Performance</td>
<td>Transactional Leadership</td>
<td>Low Conscientiousness</td>
<td>0.108</td>
<td>2.01</td>
<td>0.045</td>
</tr>
<tr>
<td>Extra-Role Performance</td>
<td>Transactional Leadership</td>
<td>High Conscientiousness</td>
<td>0.121</td>
<td>2.513</td>
<td>0.013</td>
</tr>
<tr>
<td>In-Role Performance</td>
<td>Transactional Leadership</td>
<td>Low Emotional Stability</td>
<td>0.087</td>
<td>1.756</td>
<td>0.081</td>
</tr>
<tr>
<td>In-Role Performance</td>
<td>Transactional Leadership</td>
<td>High Emotional Stability</td>
<td>0.083</td>
<td>2.095</td>
<td>0.035</td>
</tr>
<tr>
<td>Extra-Role Performance</td>
<td>Transactional Leadership</td>
<td>Low Emotional Stability</td>
<td>0.173</td>
<td>3.267</td>
<td>0.001</td>
</tr>
<tr>
<td>Extra-Role Performance</td>
<td>Transactional Leadership</td>
<td>High Emotional Stability</td>
<td>0.105</td>
<td>2.101</td>
<td>0.037</td>
</tr>
</tbody>
</table>

The test results presented in table 3 showed that transactional leadership has positive direct effect to employee in-role performance ($\beta = 0.087, p < 0.01$). Thus hypothesis 1a stating that transactional leadership has positive influence to in-role performance is supported. The test results also showed that transactional leadership has positive influence to employee extra-role performance ($\beta = 0.134, p < 0.01$). Thus the hypothesis 1b stating that transactional leadership has positive effect to extra-role performance is supported.

Testing the influence of transactional leadership to in-role performance with conscientiousness as a moderating variable was analyzed with sub group analysis. Data is divided by 2 based the score of conscientiousness. The division is done with the mean split with the mean value of 4.00. Table 3 showing a regression with low conscientiousness score (equal to or smaller than 4.00). In this table it appears that transactional leadership has no effect on performance ($\beta = 0.06, p > 0.01$). Table 3 also showing a regression with high conscientiousness score (greater than 4.00). In this table it appears transactional leadership has positive influence to performance ($\beta = 0.037, p < 0.05$). Thus it appears that the level of conscientiousness moderates the influence of transactional leadership to in-role performance.
Transactional leadership influence on in-role performance is stronger for the high level of conscientiousness employees. Thus, Hypothesis 2a is supported.

Testing the influence of transactional leadership to the extra-role performance with conscientiousness as a moderating variable was analyzed with sub group analysis. Data is divided by 2 based the score of conscientiousness. The division is done with the mean split value of 4.00. In this table it appears that transactional leadership has positive influence to employee extra-role performance ($\beta = 0.108, p < 0.05$) for employee with low conscientiousness. We can also see that for employee with high conscientiousness, there is also a positive influence of transactional leadership to employee extra-role performance ($\beta = 0.121, p < 0.05$). Though equally influential, but the value of beta is different, so it appears that the level of conscientiousness moderates the effect of transactional leadership in extra-role performance. Results also showed that the effect of transactional leadership in extra-role performance will be much stronger as a high level of conscientiousness employees. Thus, the hypothesis 2b is supported.

Testing the influence of transactional leadership to in-role performance with emotional stability as a moderating variable was analyzed with sub group analysis. For this analysis, data is divided by 2 based the score of emotional stability. The division is done with the mean split value of 3.27. Table 3 showing a regression analysis result with low emotional stability score (equal to or smaller than 3.27). In this table it appears that transactional leadership has no influence to performance ($\beta = 0.087, p > 0.05$). Table 3 showing a regression analysis result with high conscientiousness score (greater than 3.27). In this table it appears transactional leadership has positive influence to performance ($\beta = 0.083, p < 0.05$). Thus it appears that the level of emotional stability moderates the influence of transactional leadership to in-role performance. Transactional leadership influence to in-role performance is stronger in high level emotional stability employees. Thus, Hypothesis 2c is supported.

Testing the influence of transactional leadership to the extra-role performance with emotional stability as a moderating variable was analyzed with sub group analysis. Data is divided by 2 based the score of emotional stability. The division is done with the mean split value of 3.27. Table 3 showing a regression on a low level of emotional stability (equal to or smaller than the average existing). In this table it appears that transactional leadership has positive on extra-role performance($\beta = 0.173, p < 0.01$). In Table 3 is a regression analysis result when the level of emotional stability is high ($\beta = 0.105, p < 0.01$) Though equally influential, but the value of beta is different, so it appears that the level of emotional stability moderates the influence of transactional leadership to extra-role performance. But the influence of transactional leadership in extra-role performance is stronger in a low level of emotional stability employee, so the hypothesis 2d is not supported.

4. CONCLUSION

This study found a direct influence of transactional leadership to performance, so this study strengthen previous studies on the influence of transactional leadership to employee performance. Transactional managers will explain employees what to do in order to get the rewards and what should not be done so that employees do not get sanctioned. This behavior addressed the employees and the employees can achieve good performance.

High conscientiousness employees will make them aware of their role and what to do. Therefore, employees with high conscientiousness would better respond to instructions from superiors and perform
better. This study found that transactional leadership effects on performance will be stronger on employees with a high level of conscientiousness. This applies both to measure the performance of in-role and extra-role performance measures.

High emotional stability employees will make them respond superior instruction without feeling threatened. That feeling would make employees work better and achieve good performance. Related to this, the study found that the effect of transactional leadership to in-role performance will be stronger on employees with high levels of emotional stability.

However, there is a quite unique finding. This study found that the effect of transactional leadership to extra-role performance is higher for low emotional stability employees. This could be due to employee perceptions of extra-role performance. Extra-role performance is a performance that is not required for employees and not in the job description, but doing so would make the organization run better. Examples of extra-role performance is an employee who wants to help his co-workers. Employees with high emotional stability, might easily reject supervisor instructions to do so, so that the influence of transactional leadership to extra-role performance is lower on employees with high emotional stability.

**Limitation and Suggestion for Future Research**

There is one limitation to this research that not all of intruments developed were valid. Future research should revise the questionnaire ans also explores more moderating and mediating variables.
REFERENCES


