

Transformational leadership and customer service: A moderated mediation model of negative affectivity and emotion regulation

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Abstract:

Integrating theories from leadership, emotion management, affectivity, and customer service, this study examines how transformational leadership leads to favourable customer intentions via the mediation of service employees' emotion regulation, job satisfaction, and their service performance and via the moderation of employee negative affectivity. Results obtained from data of 204 matched sets of managers, service employees, and customers show that the effect of transformational leadership on amplification of pleasant emotions was conditioned on service employees' negative affectivity. Employee service performance partially mediated the effect of job satisfaction on customer outcomes. Finally, overall results reveal that transformational leadership and amplification of pleasant emotions were more strongly related to the customer outcomes, as mediated through the intervening variables in the model, when negative affectivity was high than when negative affectivity was low. Results have implications for how service workers with negative affectivity can manage their emotions to achieve effective service outcomes through interactions with a leader, how the effect of transformational leadership can be bounded, and how transformational leadership and emotion regulation are relevant to customer service.

Keywords: customer service | emotion regulation | negative affectivity | transformational leadership

Article:

Transformational leadership has become one of the most studied leadership theories in the organizational sciences since House (1977). Since Bass (1985) developed the theory of transformational leadership, the subsequent literature appears to have been growing at an exponential rate: There have been more PsycINFO entries on the topic over the past three years (2006–2009) than there were during the first 15 years of research combined (from 1985 to 1999).

Similarly, in the service literature, transformational leadership has received much attention (e.g., Bass, 1997; Dubinsky, Yammarino, Jolson, & Spangler, 1995; MacKenzie, Podsakoff, & Rich, 2001) because of how the characteristics of transformational leadership help to enhance the effectiveness of selling. Among the studies concerning transformational leadership in service context, researchers have started to examine how transformational leadership influences followers' moods and emotions (e.g., McColl-Kennedy & Anderson, 2002) that highlights the importance of supervisors in employees' emotional experiences. Joining this research stream, we address the degree to which such leaders might shape the *regulation* of emotions on the part of followers. This is theoretically important because the emotion literature has shown that the management of emotions has important consequences for both individual performance (Totterdell & Holman, 2003) and well-being (Brotheridge & Grandey, 2002; Grandey, Fisk, & Steiner, 2005). Thus, in this study, we link follower-perceived transformational leadership to the degree to which followers manage their emotions (i.e., amplify positive emotions) at work and how this leads to employee job satisfaction. According to the social interaction model (Berry & Hansen, 1996; Côté, 2005), we argue that this process has its boundary condition: It is more pronounced for service employees with negative affectivity (NA). Identifying the boundary conditions of transformational leadership is important because it facilitates efforts to explore situations when leadership works best. In addition, we investigate how perceived transformational leadership leads to favourable customer evaluations via the mediation of employee job satisfaction and service performance.

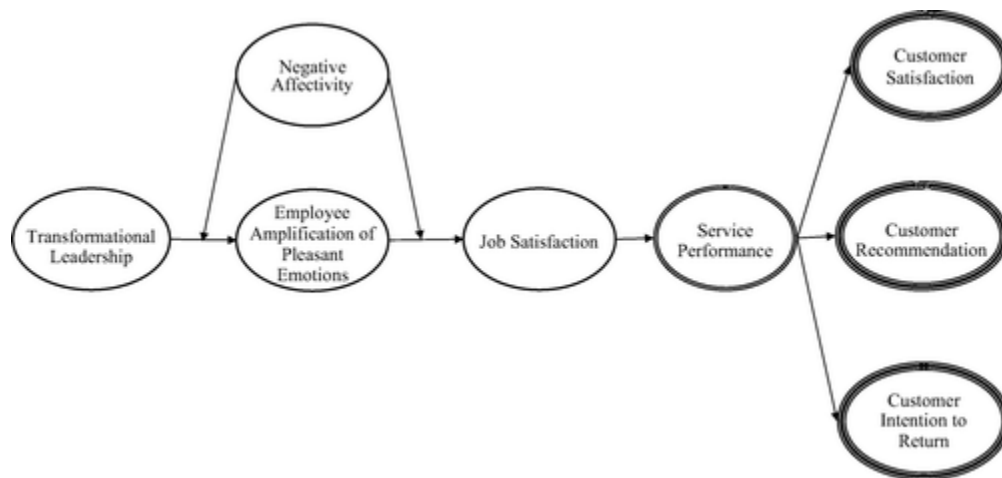


Figure 1. Hypothesized model of transformational leadership and customer outcomes. Constructs with single-line ovals were measured by employees, the one with a double-line oval was measured by managers, and those with triple-line ovals were measured by customers.

We propose that transformational leadership better suits the current study's interests than transactional leadership because, as we argue, social interactions serve as a channel through which transformational leaders can help ease the negative feelings and promote the positive feelings of employees with NA, thereby inducing their willingness to exert pleasant emotions towards their customers. This affective effect can arguably be found in transformational leaders and may not exist for transactional leaders who focus on formal exchange relationships. Another reason is that we examine how leadership influences the *process* and the *quality* of the customer interactions (e.g., service performance and customer satisfaction) and not the actual outcomes (e.g., sales volume). That process and that quality could be more naturally influenced by

transformational leadership, which emphasizes the motivation process, than by transactional leadership. In fact, service research has found that transformational leadership is more strongly related to prosocial behaviours such as helping (MacKenzie et al., 2001) and salesperson performance (Humphreys, 2002; MacKenzie et al., 2001) than is transactional leadership. The model that served as a basis for this study is provided in Figure 1.

The purpose of the current study is threefold. Our first attempt is to link leadership literature to the emotion regulation literature and the service management literature, specifically to examine how transformational leadership leads to customer reactions via the mediation of employee emotion regulation. In response to the fact that the service sector has constituted upwards of 69% of the gross domestic product in the world (The World Bank Group, 2007), Schneider, Ehrhart, Mayer, Saltz, and Niles-Jolly (2005) have called for more research in this field; and in response to both these statistics and these calls for research, service settings have become a focus for organizational scholars. Some research (e.g., Liao & Chuang, 2004, 2007; Schneider et al., 2005; Schneider, White, & Paul, 1998) has found that management practices (e.g., work facilitation, interdepartment service, HR practices, transformational leadership, and service climate) had an impact on employee attitudes and effectiveness (e.g., self-efficacy, commitment, job satisfaction, service performance, and customer-focused organizational citizenship behaviour), which in turn affected customer outcomes (e.g., service-quality perceptions, satisfaction, loyalty, intentions to maintain relationship, number of customers) and sales volume (Schneider et al., 2005). We add one important customer-service element, employees' emotion regulation (particularly amplification of pleasant emotions), as a mediating mechanism, to this line of research.

Second, we investigate a boundary condition of the effect of transformational leadership. Specifically, we examine (1) the interaction effect of transformational leadership and NA on amplification of pleasant emotions and (2) the interaction effect of amplification of pleasant emotions and NA on employee job satisfaction. The role of moderating variables in the effects of transformational leadership has been underresearched. Of the few limited studies that have presented research on the topic, only a couple (e.g., De Cremer, 2002; Epitropaki & Martin, 2005) employed followers' individual differences as moderating variables. In this study, we investigate employee NA as a moderating variable. Grandey (2000) recognized that compared to positive affectivity, there is less research focusing on NA and suggested, "Research is needed to ... see if high NA persons can learn to regulate their emotions in effective ways" (p. 107). Following this call, we argue that an interaction between NA and transformational leadership is expected for better outcomes.

Third, we study the aforementioned links by using multiple sources of information (i.e., managers, employees, and customers) in an effort to best capture the study constructs and to avoid common method variance (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). Specifically, in our current study, service employees responded to perceived transformational leadership, their emotion regulation, NA, and job satisfaction; managers evaluated employees' service performance; and customers rated their satisfaction with the service and intent to return and recommend the service to others. Thus, our study represents one of a few that bring together the multiple stakeholders of a service organization's profit chain (e.g., Heskett, Sasser, & Schlesinger, 1997) to investigate the interfaces between them.

In the next section of the article, we discuss the theoretical model and the hypothesized linkages within it.

Theoretical Model And Hypotheses

Transformational leadership and boundary conditions

In this study, we define “transformational leadership” according to Bass' theory of transformational leadership, which characterized transformational leaders as people who are pushing employees to develop innovative ideas, behaving in admirable ways that engender identification and loyalty from followers, presenting a compelling and inspiring vision to followers, recognizing the growth needs of each follower, and listening to and coaching each follower.¹ While examinations about the effects of transformational leadership on individual or organizational outcomes are fruitful, there has been less focus on whether these effects are bounded. What underlines this lack of moderator or boundary-condition exploration is the general assumption that such variables are not of notable relevance. Nevertheless, Dubin (1976) suggested that well-established theoretical models must include not only constructs and relationships among the constructs, but also the boundaries or domains within which the theory is expected to unfold. Indeed, early work such as Lowe, Kroeck, and Sivasubramaniam (1996), Podsakoff, MacKenzie, and Bommer (1996), and Yammarino and Dubinsky (1994) has advocated the importance of such moderation effects and examined levels of analysis, substitutes for leadership (Kerr & Jermier, 1978), and organization types as boundaries of the effects of transformational leadership. However, it has not been until recently that researchers have devoted more attention to moderators according to one or more of several categories: employee individual differences such as cultural orientation and employee affectivity (Epitropaki & Martin, 2005; Jung, Yammarino, & Lee, 2009), leader–member relationship such as trust, loyalty, social distance, and physical distance (Cole, Bruch, & Shamir, 2009; Howell, Neufeld, & Avolio, 2005; Jung et al., 2009), and organizational characteristics such as environmental uncertainty and technological change (de Hoogh et al., 2004). This array of endeavours has greatly contributed theoretically and empirically to the understanding of transformational leadership's workings. Hence, to add to this important line of research, we investigate an individual difference boundary condition (i.e., employee's NA) pertaining to the effects that transformational leadership has on followers' emotion regulation in a service context.

The role of followers' individual differences as a moderator of leadership processes has been investigated. For instance, De Cremer (2002) found that transformational leaders who were perceived as more charismatic and more willing to sacrifice for the collective good were leaders who helped improve group member cooperation only for followers with a pro-self-orientation rather than for those with a pro-social orientation. In addition, Epitropaki and Martin (2005) found that the positive relationship between transformational leadership and organizational identification was stronger for subordinates with low positive affectivity than for those with high

¹ Consistent with most other research (see Judge & Piccolo, 2004), we view charismatic and transformational leadership as more similar than different. Although there might be room for debate on the matter, such a debate would likely revolve around how one defines the term “charismatic leadership”, which can be found in Beyer (1999). Furthermore, in our theorizing, employee perceived transformational leadership was considered as opposed to actual transformational leadership.

positive affectivity and it was stronger for subordinates with high negative affectivity than for those with low negative affectivity. Joining this line of research, we specify that the mediation process proposed, “transformational leadership”–“amplification of positive emotions”–“job satisfaction”, is more likely to hold for service workers high in NA than for those low in NA (i.e., a moderated mediation process). In the next section, we discuss transformational leadership, employees' emotion management, and employee disposition and argue for the moderated mediation effect among these constructs.

Transformational leadership, emotion regulation, and employee disposition

Emotion regulation theory defines “emotion regulation” as “the processes by which individuals influence which emotions they have, when they have them, and how they experience and express these emotions” (Gross, 1998, p. 275). People consciously regulate their emotions to conform to norms or job demands in the workplace. The individual can regulate their emotions at two intervening points. Involved in the first point is antecedent-focused emotion regulation, where individuals select or modify situations, deploy attention, or reevaluate a situation in order to alter the emotional impact. Involved in the second point is response-focused emotion regulation, where individuals attempt to manipulate their experienced emotions, alter their facial expressions, or monitor their physiological responses. The present study focuses on one type of response-focused emotion regulation—amplification of positive emotions. We define this regulation as one that service employees use to enhance expressions of positive emotions.²

High NA individuals possess the propensity to engage in unpleasurable feelings that subsume a variety of aversive emotions such as stress, fear, anger, guilt, nervousness, and anxiety, whereas low NA individuals tend to experience calmness and serenity. Drawing on the social interaction

² Another conceptualization of emotions is emotional labour (e.g., deep acting vs. surface acting). Côté (2005) asserted that deep and surface acting are two *forms* of emotion regulation and that amplification and suppression of emotions are two *directions* of emotion regulation, Côté combined the form and the direction of emotion regulation and it resulted in a 2 × 2 conceptualization of emotion regulation. He argued that “Employees can amplify an emotion through deep acting by emitting behaviors that initiate or enhance the internal experience and, in turn, the public display of that emotion. They can also amplify an emotion through surface acting by emitting behaviors that initiate or enhance the public display of that emotion when that emotion is not experienced or is experienced at low levels internally” (p. 511). Côté also stated that “I focus on emotion regulation instead of emotional labor because emotion regulation represents a broader and more pervasive set of behaviors” (p. 511). We concur with Côté to choose emotion regulation over emotional labour and argue that, with respect to our model, when one amplified his or her emotion, it could be irrespective of the emotional labour (deep or surface acting): What we refer to by amplification of positive emotions is the “enhancement” of positive emotions regardless of the emotional labour involved. In addition, we focus on amplification of positive emotions rather than on another form of response-focused emotion regulation (i.e., suppression of negative emotions) because we believe that perceived transformational leadership helps to enhance positive emotions more than to suppress negative emotions on the part of customer contact workers. Transformational leaders have appeared to be more effective at bringing followers' values into alignment with their own (Brown & Treviño, 2006), so they should be more effective at inducing the desired emotion regulation strategies on the part of the employees they supervise. In addition, because the visions of transformational leaders should be positive (Frese, Beigel, & Schoenborn, 2003), desirable (Hauser & House, 2000; Kirkpatrick, Locke, & Latham, 1996), and emotionally appealing (Chemers, 1997), it is reasonable to expect that transformational leaders should be focused more on amplifying followers' expression of positive emotions than on suppressing negative ones. Empirically, we tested suppression of negative emotions as a mediator to replace amplification of positive emotions, but the results were not supportive. However, we did control suppression in our model.

model (Berry & Hansen, 1996; Côté, 2005), our study argues that NA will moderate both the link of “transformational leadership”–“amplification of pleasant emotions” and the link of “amplification of pleasant emotions”–“job satisfaction”.

For the link of “transformational leadership”–“amplification of pleasant emotions”, transformational leadership will relate to amplification of positive emotions for high NA employees more strongly than for low NA employees. Findings based on Berry and Hansen's (1996) social interaction model concerning NA revealed that NA was positively correlated with the overall number of individuals' dyadic social interactions as well as with the amount of time spent in the interactions. The findings also showed that when asked to report whether the interactions were pleasant, high NA people reported more enjoyable group interactions than did low NA people. One of the reasons may be reflected in Schachter's (1959) proposition regarding affiliation: High NA people are predisposed to find comfort, social reassurance, and social evaluation to reduce anxiety. For this reason, it is through these interactions that high NA individuals cope with unpleasant emotions and are receptive to positive emotions. Conceivably, when service employees with high NA interact with a transformational leader who “attends to each follower's needs, acts as a mentor or coach to the follower, and listens to the follower's concerns and needs” (Judge & Piccolo, 2004, p. 755), those interactions serve to ease the undesirable feelings and to promote the positive feelings on the part of the service employees. In turn, those NA employees whose positive emotions are evoked may be in a relatively strong position to express or enhance their positive emotions to customers. Therefore, taking these various facts and assertions together, we propose that interactions with transformational leaders will play a greater catalytic role in high NA service workers than in low NA service workers, helping the former advance the amplification of positive emotions to customers.

For the link of “amplification of pleasant emotions”–“job satisfaction”, we believe that emotion regulation may have salutary effects on employee attitude. Hochschild's (1983) original treatment of emotional labour suggested that any attempts at regulation are likely to be inwardly taxing, an argument that deeply influenced subsequent research (e.g., Bono, Foldes, Vinson, & Muros, 2007; Grandey, 2003). However, researchers have recognized that emotion regulation may have salutary effects. Although the literature on the relationship between emotion regulation and job satisfaction is somewhat inconsistent (Grandey, 2000), the social interaction model of emotion regulation (Côté, 2005; Côté & Morgan, 2002) may shed light on how emotion management leads to positive outcomes. The social interaction model predicts that “certain types of emotion regulation have positive effects on work outcomes such as job satisfaction and intentions to quit” (Côté & Morgan, 2002, p. 949). The model proposed a reciprocal perspective in that how service senders regulate their emotions has an effect on service receivers' responses, which in turn bring about positive outcomes for the senders. For instance, it may be the customers' positive facial feedback and quality relationships with customers resulting from a pleasant interaction with the service workers that lead to employees' elevated job attitudes. In fact, empirical research reveals that employee amplification of positive emotion led to a higher level of employee job satisfaction (Côté & Morgan, 2002). Also, Diefendorff and Richard (2003) found that self-perceived demands to express positive emotions were positively related to job satisfaction, whereas demands to suppress negative emotions were negatively related to job satisfaction.

Moreover, in light of the aforementioned social interaction model of affectivity (Berry & Hansen, 1996), interacting with customers may serve to ease negative feelings of high NA individuals. Thus, high NA workers may be more likely to express, display, and enhance their positive emotions towards customers, through which process the workers enjoy the job. And thus, we argue that the positive effect of amplifying pleasant emotions on job satisfaction is more pronounced for high NA people who are in need of social interactions than for low NA people. As a result of these discussions, it follows that NA moderates the entire mediation process by amplification of pleasant emotions. For this reason, we hypothesize the following:

Hypothesis 1: Negative affectivity will moderate the indirect effect of transformational leadership on employee job satisfaction (via amplification of pleasant emotions). Specifically, the indirect effect will be stronger when negative affectivity is high rather than when negative affectivity is low.

Job satisfaction, service performance, and customer outcomes

Turning to the right-hand side of the model, we posit that service performance partially mediates the effect of job satisfaction on customer outcomes. The service literature has distinguished between customer-service prescribed role behaviour and customer-service extrarole behaviour. The former refers to helpful behaviours that are directed at customers, that are essentially part of employees' role requirements, and that include being courteous and knowledgeable in customer encounters; the latter refers to service-related behaviours that go beyond job prescriptions and that are both voluntary and noncompensable (Blancero, Johnson, & Lakshman, 1996). Most of the current service literature has treated service performance as behaviour-based inrole performance (Borucki & Burke, 1999; George, 1991; Liao & Chuang, 2004, 2007). Following this line of conceptualization, we defined service performance as service workers' behaviours that are part of employees' role prescriptions and that function to meet customer needs. It should also be noted that our service performance construct differs from other service concepts such as displaying positive emotions to customers.³

In relation to the mediation process, the associations between employee job satisfaction and customer outcomes are predicted to be partially mediated by service performance. We define job satisfaction as “a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences” (Locke, 1976, p. 1304). We draw on the service-profit chain framework (Heskett, Jones, Loveman, Sasser, & Schlesinger, 1994), which posits that satisfied employees are more productive and offer more recommendable service than unsatisfied employees and, therefore, yield better customer reactions than unsatisfied employees. A recent meta-analytic review revealed that employee job satisfaction and customer satisfaction correlated significantly at .23 (Brown & Lam, 2008). In addition, although critics have argued that the relationship between job satisfaction and job performance might be spurious, reciprocal, reversed, nil,

³ Service performance should not be confused with customer perceptions of the service provided, which refer to the results of service performance. Ryan and Ployhart (2003) pointed out that it is difficult to define and measure customer service performance because it is not conceptualized in the same way in the industrial-organizational (I-O) psychology and the marketing literatures. In the I-O literature, service performance is a specific type of employee job performance that relates to customer “coproduction”, meaning that it may be determined by a combination of the provider's behaviour, the receiver's behaviour, and the interaction between the provider and the receiver. In the marketing literature, the focus is on the customer's perspectives such as satisfaction and quality.

moderated, or reconceptualized (see Judge, Thoresen, Bono, & Patton, 2001, for a review), a common assertion about this relationship has rested on the human-relations movement model, which stated that attitudes lead to behaviour. Most researchers believe that people who evaluate an object with a positive attitude react to that object with behaviours that support the attitude (Eagly & Chaiken, 1993; Fishbein, 1973). The empirical results have been well established. In a review of 312 studies, Judge et al. estimated the relationship between job satisfaction and job performance to be .30 across various occupations and this relationship was .28 for service positions such as salespersons. Consequently, one would expect that job satisfaction would be positively related to service performance.

As for the links between service performance and customer evaluations, in Parasuraman, Zeithaml, and Berry's (1985) service quality model, service quality was a function of a comparison between expectations and performance; such comparisons involved processes, which referred to how and how well the service was delivered: service performance. Therefore, we anticipate relationships between service performance and three customer outcomes. First, we include customer satisfaction as “an overall evaluation based on the customer's total purchase and consumption experience with a good or service over time” (Luo & Bhattacharya, 2006, p. 3). Research indicates that service performance is positively related to customer satisfaction (Grandey, Fisk, Mattila, Jansen, & Sideman, 2005; Liao & Chuang, 2004). Second, as noted by Payne and Webber (2006, p. 366), beyond positive customer attitudes (customer satisfaction), another aspect of the customer relationship is more behavioural—“spreading the word (positive word-of-mouth or complaining behavior)”. Thus, we also hypothesize that service performance will be positively related to customers' willingness to recommend the organization to others. Finally, customer loyalty is seen as a related but distinct aspect of the customer service relationship (Payne & Webber, 2006). One aspect of customer loyalty is a customer's intention to remain with a service provider. Indeed, in the marketing literature, customer loyalty is often conceptualized and measured as an intention to use the product or service in the future (see Johnson, Herrmann, & Huber, 2006). As with the other customer outcomes, we expect a positive relationship between service performance and customer intention to return to the service provider.

Hypothesis 2: Service performance will partially mediate the relationship between job satisfaction and (a) customer satisfaction, (b) customer recommendation, and (c) customer intention to return.

Transformational leadership, emotion regulation, and customer service

It is also theoretically and practically interesting to investigate whether, in a service context, transformational leadership leads to favourable customer evaluations or attitudes via the mediation of employee emotion regulation, job satisfaction, and service performance. Although research on the effects of transformational leadership has been plentiful, very little attention has been paid to the process by which transformational leadership helps improve customer feedback, which ultimately leads to organizational sales volume (Keiningham & Vavra, 2001). Of the few studies addressing this mediation mechanism, Liao and Chuang (2007) found employee job satisfaction to mediate the relationship between transformational leadership and service performance, which finally led to long-term service relationships with customers. Jayakody and

Sanjeewani (2006) attested that transformational leadership was related to customer commitment via customer trust. Last, although not a direct test of transformational leadership, Schneider et al. (2005) found that unit service climate and customer-focused organizational citizenship behaviour fully mediated the relationship between unit service leadership behaviour and unit customer satisfaction, which ultimately led to unit sales. We add to this limited but important literature by investigating the intermediate role of employee emotion regulation. If the mediation process holds, following the arguments for the two preceding hypotheses, transformational leadership and employee amplification of positive emotions will have stronger indirect effects on the three customer outcomes for individuals high in NA than for individuals low in NA.

Hypothesis 3: Transformational leadership (a) and employee amplification of positive emotions (b) will be more strongly related to the customer outcomes, as mediated through job satisfaction and service performance, when negative affectivity is high than when negative affectivity is low.

Method

Participants and procedure

Our data, in the form of manager-employee-customer sets, were collected in 52 stores from organizations in Taiwan. One contact person was located in each organization, and this person was handed the survey package (including survey-distribution instructions and three types of surveys) and was instructed to identify supervisor-employee dyads and invite the two parties to take part in the study respectively. Because the contact person and the study's researchers had no access to customers served by the employee participants, the employees were then asked to identify their customer for participation. All respondents were ensured of confidentiality, and all surveys were hand-distributed and returned, sealed, directly to the contact or researchers. Two rounds of reminders were made to the contacts and the respondents.

The participating service employees whom this study approached were emotional labourers. These labourers were required to exhibit positive affect with customers and to interact face-to-face with their boss and customers frequently. The labourers held a variety of service jobs such as sales clerk (39.6%), insurance agent (27.5%), bank teller (9.5%), and hairdresser (6.3%). Of the 227 surveys distributed to employees, 214 were returned (a 94% response rate). Employees provided data on their manager's transformational leadership, as well as on their own amplification of positive emotions, NA, and job satisfaction. The respondents were, on average, 30.0 years old, had a mean of 14.8 years of education, had an average organizational tenure of 2.5 years, and were, in 64% of the cases, female. The majority of the respondents held service jobs in the industries of finance, insurance, and real estate (36.9%), service (29.7%), manufacturing (12.2%), and retail trade (10.8%). Our study contacted 56 store managers, of whom 55 (98%) completed and returned an equal number of surveys (one survey per manager). These surveys were evaluations by the managers regarding their employees' service performance. Fifty per cent of participating managers were female; they were on average 37.5 years old, had 15.2 years of education, and had 4.2 years of organizational tenure. Our study distributed 227 customer surveys, of which 210 were returned (93%). Customers were asked to assess their satisfaction with the service, their willingness to return, and their intention to recommend. The

customer sample was 64% female, and each customer was on average 30.3 years old, had 15.0 years of education, and had 4.2 years of customer tenure with the organization with an average of 8.8 visits to date. With the surveys returned, we were able to identify 204 usable matched data from managers, employees, and customers from 52 stores.

Measures

As our adopted scales were originally in English, we followed previously established protocols of backtranslation (Brislin, 1980) to ensure that the translated Chinese version had similar meanings. In essence, two bilinguals fluent in English and Chinese were hired, with one translating the English survey to Chinese and the other cross-translating the items back to English. The researchers and the bilinguals met to resolve any semantic inconsistencies by undertaking minor adjustments in word choice prior to implementation of the survey. We describe our measures in the following sections.

Transformational leadership

We adopted 20 items from the Multifactor Leadership Questionnaire–5X (MLQ-5X-short; Bass & Avolio, 2000) measuring transformational leadership. The employees rated their direct supervisor's leadership on a 5-point Likert scale with scale anchors ranging from 1 (“not at all”) to 5 (“always”). Sample items include “Spends time teaching and coaching” and “Talks optimistically about the future”. The coefficient alpha was .93 for this scale.

Employee amplification of pleasant emotions

We assessed employees' amplification of pleasant emotions by asking employees to rate the extent to which they, in the presence of a customer, enhanced or exaggerated their displays of three emotional states—delighted, happy, and joyful, all taken from the Differential Emotion Scale (DES; Izard, 1977). We used a 7-point scale ranging from 1 (“rarely”) to 7 (“very often”). The coefficient alpha was .97.

Job satisfaction

We used Brayfield and Rothe's (1951) five-item overall job satisfaction measure. Employees rated their satisfaction with the job on a 7-point response scale ranging from 1 (“strongly disagree”) to 7 (“strongly agree”) with such items as “I feel fairly satisfied with my present job” and “I consider my job to be rather unpleasant” (reverse scored). The coefficient alpha for this scale was .82.

Negative affectivity

We measured employees' negative affectivity as a trait by using the 10-item negative affect scale from PANAS (Watson, Clark, & Tellegen, 1988). Employees indicated the extent to which they generally felt each of the emotions, such as nervous, afraid, and distressed, by entering a number from 1 (“very slightly or not at all”) to 5 (“extremely”). The Cronbach's alpha was .87.

Service performance

Supervisors gauged employees' service performance by using seven items from the Sales Personnel Service Performance Scale (Burke, Rupinski, Dunlap, & Davison, 1996), as adapted in Liao and Chuang (2004), where a thorough construct validation of the measure was performed in a restaurant setting. The scale anchor ranged from 1 ("strongly disagree") to 11 ("strongly agree"), with sample items such as "Being able to help customers when needed" and "Asking good questions and listening to find out what a customer wants". The coefficient alpha for this scale was .93.

Customer outcomes

We measured three customer-reaction variables: customer satisfaction, customer recommendation, and intention to return. *Customer satisfaction* was assessed based on the three-item scale by Gotlieb, Grewal, and Brown (1994). A sample item follows: "Overall, I am satisfied with the decision to come to this store". *Customer recommendation* (two items) and *intention to return* (three items) were adopted from Webster and Sundaram (1998). Sample items were "I will recommend this store to others" and "I am sure that I will not use the services of this store" (reverse scored), respectively. All items were on a 7-point scale ranging from "strongly disagree" to "strongly agree". The coefficient alphas were .94, .88, and .91, respectively.

We controlled for employee positive affectivity and suppression of negative emotions.⁴ *Positive affectivity* was measured using the 10-item positive affect scale from PANAS (Watson et al., 1988). Customer contact workers were asked to rate the extent to which they generally felt each of the emotions, such as being excited, enthusiastic, and active and entered a number from 1 ("very slightly or not at all") to 5 ("extremely"). The Cronbach's alpha was .79. To assess *suppression of negative emotions*, we asked service employees to rate the extent to which they inhibited or decreased their customer-oriented displays of nine emotional states such as displays of anger, fear, and sadness (DES; Izard, 1977). A 7-point scale ranging from 1 ("rarely") to 7 ("very often") was applied. The coefficient alpha was .96.

Data analyses

We assessed the convergent and discriminant validity of our constructs with a confirmatory factor analysis, following the recommendations in Anderson and Gerbing (1988) and using maximum likelihood with LISREL 8.54 (Jöreskog & Sörbom, 2003). The three estimated models (Table 2; see later) were based on the covariance matrix and were evaluated according to item-level data. We used multiple fit indices to assess model fit: χ^2 , χ^2/df , root mean square error of approximation (RMSEA) and its confidence interval, comparative fit index (CFI), and incremental fit index (IFI) (Jöreskog & Sörbom, 1993). As χ^2 is sensitive to sample size, χ^2/df of three or less is taken as an alternative useful guideline for accepting a model (Carmines & McIver, 1981). In addition, for a model to be acceptable, the RMSEA value has to be lower than .08 (Jöreskog & Sörbom, 1993) and the minimum acceptable value of CFI and IFI is .90 (Bentler

⁴ We thank an anonymous reviewer for this suggestion.

& Bonett, 1980). Whenever we compared nested models with each other, we used the Chi-square difference tests suggested by Anderson and Gerbing.

Our data were multilevel in nature because employees from the same store were exposed to a similar environment and thus the independence assumption of ordinary least square (OLS) might be violated. For this reason, we adopted hierarchical linear modelling (HLM; Raudenbush & Bryk, 2002) that explicitly accounts for the nested nature of the data to test all of the study hypotheses. Because we did not have Level 2 predictors, all independent variables were entered at Level 1 and were grand-mean centred.

To test the hypothesized moderated mediation effect (Hypothesis 1), we followed the steps recommended in Muller, Judd, and Yzerbyt (2005)⁵ and examined three particular conditions accordingly: (1) a significant effect of transformational leadership on job satisfaction; (2) a significant effect of transformational leadership on amplification of positive emotions and a significant interaction between transformational leadership and negative affectivity predicting amplification of positive emotions; and (3) a significant effect of amplification of positive emotions on job satisfaction and a significant interaction between amplification of positive emotions and negative affectivity predicting job satisfaction. Hypothesis 1 is established when all the three conditions hold.

To test Hypothesis 2, we followed Baron and Kenny's (1986) procedures for the partial mediation test. Three conditions were applied: (1) a significant effect of job satisfaction on customer outcomes; (2) a significant effect of job satisfaction on service performance; and (3) significant effects of job satisfaction and service performance on customer outcomes.

When testing the multiple-path mediation effects as posited in Hypothesis 3, we adopted the joint significance test (JST), which was recognized as one that controls Type I error well and that has good power via a Monte Carlo study (Taylor, MacKinnon, & Tein, 2008). For the JST, testing the null hypothesis of no mediation required a separate hypothesis test for each of the mediated paths. If all null hypotheses were rejected, the null hypothesis of no mediation was rejected; thus the multiple-path mediated effect is sustained (e.g., Mensinger, Lynch, TenHave, & McKay, 2007).

At last, in an effort to further corroborate the robustness of the HLM results and to reexamine the hypotheses, additional analyses were performed to use OLS regressions pooling observations across stores. OLS does not take into consideration the nesting nature of the data and, thus, biased estimates of standard errors may result; however, OLS produces (1) estimates more robust against model misspecification than the estimates produced by HLM, and (2) estimates more stable in small samples than estimates in large samples (James & Williams, 2000). Hence, OLS was applied for checking purposes.

⁵ Muller et al. (2005) introduced three cases of moderated mediations. The first case specified that the moderator moderated only the relationship between the independent variable and the mediator, the second case specified that the moderator moderated only the relationship between the mediator and the dependent variable, and the third case specified that the moderator moderated both the relationship between the independent variable and the mediator and the relationship between the mediator and the dependent variable. For each case, the equations formed were identical but the coefficients required to be significant varied. Our Hypothesis 1 followed the third case.

Results

Table 1 shows the means, standard deviations, reliability coefficients, and correlations of all the study variables. We present in the following the results of the confirmatory factor analysis models, hierarchical linear modelling, and additional analyses.

TABLE 1. Means (*M*), standard deviations (*SD*), and intercorrelations of study variables

<i>Variable</i>	<i>M</i>	<i>SD</i>	1	2	3	4	5	6	7	8	9	10
1. Transformational leadership	3.27	0.65	.93									
2. Employee amplification of pleasant emotions	5.12	1.16	.30**	.97								
3. Employee suppression of unpleasant emotions	4.30	1.36	.07	.08	.96							
4. Employee negative affectivity	2.44	0.68	-.16*	-.22**	.09	.87						
5. Employee positive affectivity	3.23	0.50	.31**	.30**	.03	.20**	.79					
6. Job satisfaction	4.74	0.91	.56**	.51**	.04	-.37**	.27**	.82				
7. Service performance	8.52	1.68	.25**	.18*	-.02	.01	.15*	.21**	.93			
8. Customer recommendation	5.21	1.09	.28**	.29**	-.02	-.17*	.12	.29**	.24**	.88		
9. Customer intention to return	5.31	1.20	.18*	.22**	-.06	-.04	.19**	.21**	.16*	.42**	.91	
10. Customer satisfaction	5.25	0.97	.28**	.28**	.00	-.17*	.08	.30**	.21**	.86**	.40**	.94

n = 204. Coefficient alpha reliability estimates are listed in bold on the diagonal. **p* < .05, ***p* < .01.

Confirmatory factor analysis models

A series of confirmatory factor analyses were performed, and the model fit results are presented in Table 2. CFA1 refers to the general-factor model where all study measures point to the same factor. CFA2 refers to a three-factor source-related measurement model consisting of employee factors (i.e., transformational leadership, employee amplification of pleasant emotions, NA, and employee job satisfaction), manager factors (i.e., service performance), and customer factors (i.e., customer satisfaction, customer returning, and customer recommendation). CFA3 refers to the hypothesized measurement model and contains eight latent variables: transformational leadership, amplification of pleasant emotions, employee NA, employee job satisfaction, service performance, customer satisfaction, customer intention to return, and customer recommendation. Inspection of the fit indices across models indicates that CFA3 fit the data best, $\chi^2(1297, N = 204) = 2514.75, p < .01, \chi^2/df = 1.94, RMSEA = .068, CFI = .94, IFI = .94,$ and yielded a significantly better fit than did CFA1, $\Delta\chi^2 = 6210.61, df = 28, p < .001,$ and CFA2, $\Delta\chi^2 = 2858.25, df = 25, p < .001.$ Furthermore, the 90% confidence interval of RMSEA for CFA3 did not overlap with the confidence intervals of either of the other models (CFA1 and CFA2) (Fabrigar, Wegener, MacCallum, & Strahan, 1999). In CFA3, all items loaded significantly on their posited underlying construct except for one from the transformational leadership scale. We decided to retain this item to maintain the completeness of the scale (and it was later found that the models with this item maintained and removed produced identical hypothesis-testing results and that the effect sizes were almost identical). Thus, the assertion that convergent validity applies to our intended model is warranted.

Anderson and Gerbing (1988) suggested that to examine discriminant validity, one is to investigate whether the confidence interval around the estimated correlation parameter (ϕ_{ij}) of each pair of the constructs excludes the value of one. Our investigation showed that no

confidence interval of the parameter for the CFA3 contained the value of one ($p < .05$), corroborating both the distinctiveness of the latent constructs and, thus, the discriminant validity. All together, these results provide evidence for the convergent and discriminant validity of the proposed eight-factor model.

TABLE 2. LISREL results of confirmatory factor analysis models

<i>Confirmatory factor analysis models</i> ^a	<i>df</i>	χ^2	χ^2/df	<i>RMSEA</i>	<i>CFI</i>	<i>IFI</i>
CFA1: One factor	1325	8725.36*	6.59	.166	.74	.75
CFA2: Three factors	1322	5373.00*	4.06	.123	.84	.84
CFA3: Eight factors ^b	1297	2514.75*	1.94	.068	.94	.94

$n = 204$. df = degree of freedom; χ^2/df = Chi-square ratio (i.e., Chi-square divided by degrees of freedom); RMSEA = root mean square error of approximation; CFI = comparative fit index; IFI = incremental fit index. ^aIn CFA3, the eight factors are transformational leadership, amplification of pleasant emotions, employee negative affectivity, employee job satisfaction, service performance, customer satisfaction, customer intention to return, and customer recommendation. In CFA2, each of the variables is assigned to one of three factors: employee, manager, and customer. The employee factor lumps together transformational leadership, amplification of pleasant emotions, employee negative affectivity, and employee job satisfaction. The manager factor refers to service performance. The customer factor lumps together customer recommendation, customer intention to return, and customer satisfaction. CFA1 refers to the general-factor model where all study measures pointed to the same factor. ^bCFA3 best fits the data among the three measurement models. * $p < .01$.

Hierarchical linear modelling results

Hypothesis 1 proposes that negative affectivity will moderate the indirect effect of transformational leadership on employee job satisfaction (via amplification of pleasant emotions) such that the indirect effect will be stronger when negative affectivity is high than when negative affectivity is low. As reported in Model 1 of Table 3, transformational leadership was positively significantly related to job satisfaction, $\hat{\gamma} = .63, p < .01$, supporting condition 1. Model 2 reveals that transformational leadership was positively related to amplification of positive emotions, $\hat{\gamma} = .30, p < .05$, and that the interaction between transformational leadership and negative affectivity was also significant, $\hat{\gamma} = .40, p < .05$, lending support to Condition 2. Model 3 shows a positive and significant relationship between amplification of positive emotions and job satisfaction, $\hat{\gamma} = .24, p < .01$, but the effect of the interaction between amplification of positive emotions and negative affectivity was not significant, $\hat{\gamma} = -.02, ns$; thus, Condition 3 was not supported. Hence, the results did not yield full support for our hypothesis that NA would moderate the link between transformational leadership and amplification of positive emotions and the link between amplification of positive emotions and job satisfaction. However, our results conformed to the required conditions in the first case of moderated mediation that was described by Muller et al. (2005) (see Footnote 5). In this case, the requirement for a significant relationship between amplification of positive emotions and job satisfaction is relaxed.⁶ Therefore, we conclude that whereas Hypothesis 1 was not fully supported, NA did moderate the relationship between transformational leadership and amplification of positive emotions.

⁶ In the first case of the moderated mediation (Muller et al., 2005), the conditions required included (1) a significant effect of the transformational leadership on job satisfaction; (2) a significant interaction between transformational leadership and negative affectivity predicting amplification of positive emotions; and (3) a significant effect of amplification of positive emotions on job satisfaction.

TABLE 3. Hierarchical linear modelling results for testing moderation by negative affectivity

<i>Variable and statistic</i>	<i>Model</i>		
	<i>1. Job satisfaction</i>	<i>2. Amplification of positive emotions</i>	<i>3. Job satisfaction</i>
Control variables			
Positive affectivity	.32**	.67**	.18 [†]
Suppression of negative emotions	.01	.06	.00
Main variables			
Negative affectivity (NA)	-.45**	-.48**	-.35**
Transformational leadership	.63**	.30*	.55**
Amplification of positive emotions			.24**
Transformational leadership × NA	-.00	.40*	-.06
Amplification of positive emotions × NA			-.02
Model deviance	444.24	602.53	426.24

$n = 204$. Variables are grand-mean centred at Level 1. Table entries corresponding to the predicting variables are unstandardized estimations of the fixed effects, γ s. [†] $p < .10$, * $p < .05$, ** $p < .01$, two-tailed.

To test the significance of the relationship between transformational leadership and amplification of positive emotions for high NA and for low NA groups, the simple slope analysis recommended by Aiken and West (1991) was applied. The results show that the simple effect of transformational leadership on amplification of positive emotions was significant, $\hat{\gamma} = .57$, $p < .01$, for the high NA group and that effect was nonsignificant, $\hat{\gamma} = .03$, *ns*, for the low NA group.

Hypothesis 2 states that service performance will partially mediate the relationship between job satisfaction and (a) customer satisfaction, (b) customer recommendation, and (c) customer intention to return. Job satisfaction was significantly associated with customer satisfaction, $\hat{\gamma} = .28$, $p < .01$, customer recommendation, $\hat{\gamma} = .30$, $p < .01$, and customer intention to return, $\hat{\gamma} = .27$, $p < .05$, lending support to Condition 1. Job satisfaction was also significantly related to service performance, $\hat{\gamma} = .23$, $p < .05$, supporting Condition 2. For Condition 3, when both job satisfaction and service performance were entered as independent variables, they were both significantly related to customer satisfaction, $\hat{\gamma} = .25$, $p < .05$ and $\hat{\gamma} = .09$, $p < .05$, respectively, customer recommendation, $\hat{\gamma} = .26$, $p < .05$ and $\hat{\gamma} = .13$, $p < .05$, respectively, and customer intention to return, $\hat{\gamma} = .24$, $p < .05$ and $\hat{\gamma} = .09$, $p < .05$, respectively, while the effects of job satisfaction dropped from those in Condition 1. Therefore, Hypotheses 2a, 2b, and 2c were all supported.

Our hypotheses also posit that, in comparison with low NA individuals, for high NA individuals, transformational leadership (Hypothesis 3a) and employee amplification of positive emotions (Hypothesis 3b) will exhibit stronger indirect effects on customer outcomes, as mediated through job satisfaction and service performance. To test this hypothesis, the JST finds evidence for mediation if each of the multiple paths in the mediated effect is significantly nonzero. As shown previously, the simple effect of transformational leadership on amplification of positive emotions was significant for high NA individuals, $\hat{\gamma} = .57$, $p < .01$, but this effect was not significant for low NA individuals, $\hat{\gamma} = .03$, *ns*. Amplification of positive emotions was related to job satisfaction, $\hat{\gamma} = .24$, $p < .01$ (Model 3 in Table 3). In addition, job satisfaction was then positively significantly associated with service performance, $\hat{\gamma} = .23$, $p < .05$, and finally service performance was positively significantly associated with customer satisfaction, $\hat{\gamma} = .09$, $p < .05$,

customer recommendation, $\hat{\gamma} = .13, p < .05$, and customer intention to return, $\hat{\gamma} = .09, p < .05$. These findings show that the requirements of JST were met for individuals with high NA and they were not met for those with low NA and thus the multiple-path indirect effects were sustained for high NA individuals rather than for low NA individuals, providing supporting evidence for Hypotheses 3a and 3b.

The additional analyses show that the current study's results concerning significance and magnitude were highly consistent for models estimated according to OLS and to HLM. This finding should generate further confidence in our conclusions.

Discussion

Major findings and theoretical contributions

Integrating leadership research, affectivity research, emotion regulation research, and customer management research, this study has examined how the level of NA can condition the mediation effect of positive-emotion amplification on the relationship between perceived transformational leadership and employee job satisfaction, how job satisfaction in turn leads to favourable customer intentions via the mediation of employees' service performance, and how the perceived transformational leadership and amplification of positive emotions predict customer outcomes as mediated through job satisfaction and service performance.

The findings reveal that only for customer contact workers high in NA did the perceived transformational leadership influence employees' amplification of pleasant emotions. This finding contributes to the transformational leadership literature by adding to the growing body of literature that addresses the boundary conditions of transformational leadership's effects. Drawing on social interaction models (Berry & Hansen, 1996; Côté, 2005), we found that by talking with an attentive, open-eared leader about their concerns and needs, high NA service workers could experience a diminution of their negative feelings and an enhancement of their pleasant moods, which in turn would prompt the workers to cast or express positive emotions in the direction of customers. This finding reveals that transformational leadership is better received by certain types of people. Specifically, for NA individuals whose personality did not fit service-type work that requires positive emotions, transformational leadership helped them to better accomplish their work; in contrast, no such effect was apparent for low NA individuals. This determination points to the boundedness of transformational leadership and cautions against declaring that transformational leadership is universal across historical periods, fields of study, levels of analysis, organizations, jobs, industries, and cultures (Bass, 1985, 1990; Bass & Avolio, 1990, 1993, 1994). Another possible boundary variable for the transformational leadership research may be employees' tenure. Podsakoff et al. (1996) found that the effect of transformational leadership on employee role clarity was found to be more pronounced for relatively experienced employees than for relatively inexperienced employees. Although our study, using a relatively young and inexperienced sample, found significant effects of transformational leadership, the effects perhaps are not readily extended to more sophisticated work requirements (e.g., tacit knowledge sharing) that could be better attended to by tenured employees. In sum, the search for boundary conditions is one important direction in which the

leadership literature is heading, and we encourage future researchers to continue with this line of research.

Our findings highlight another interesting contrast: Whereas NA service workers' interactions with a transformational leader helped the workers express pleasant emotions to customers, this expression of positive emotions did not always strengthen the workers' job satisfaction. This contrast has an interesting theoretical implication for the social interaction model (Berry & Hansen, 1996; Côté, 2005). That is, although NA individuals could enjoy interactions with people, the effect of the communications hinged on whom they interacted with. Whereas transformational leaders could be expected to consistently support their followers, customers might not provide the constant comfort desired by NA service workers. This might suggest another moderator such as customers' display of emotions. We suggest that future research investigate the conditions in which NA individuals could perform most successfully.

Though the trait-congruent theory suggests that there exists conflict when one's personality does not fit a job's emotion-work requirements, a study by Bono and Vey (2007) identified no significant relationships between the interaction of neuroticism (a personality trait similar to NA) and emotional-regulation tasks and individual outcomes such as stress and performance. The authors argued that one of the reasons for the nonsignificant results might be that the personality incongruency effect is small. However, the theoretical underpinnings and the empirical results of the current study imply that the reason may rest on NA: The best practice for people high in NA is not to fit them with tasks that require negative emotions (e.g., anger, irritation) but to bring out these people's positive side by meeting their needs. It is in this way that NA people are likely to perform their jobs better. We recommend that future research join this line of research and test how people of various personalities can best achieve effective outcomes.

Another finding from this study was that service employees' service performance partially mediated the effect of job satisfaction on customer satisfaction, recommendation, and intention to return. Our finding that job satisfaction directly affected customer reactions implies that the service-profit chain holds; however, this finding shows that service performance, or what the external customers actually experienced as a result of their service experience, served as a better proximal predictor of customer evaluations than did employees' inner state, such as their job satisfaction. This finding contributes to the "job satisfaction"–"job performance" literature (Judge et al., 2001) by focusing on a specific type of performance (service performance), which particularly takes into account how customer participation shapes behaviour. Future research is encouraged to join this line of research by investigating other specific types of performance such as safety performance.

Last, we found that for high NA individuals, transformational leadership had positive and significant indirect effects on customer evaluations via the mediation of employee amplification of pleasant emotions, job satisfaction, and service performance. This finding contributes to the scant but important literature regarding how transformational leadership could be beneficial to customer feedback that finally relates to the organizational bottom line. We found that this effect could surface through encouragement of service workers' expression of pleasant emotions. This finding could be generalized across a wide range of service worker–customer relationships, because the service relationship researched in our study was not restricted to any type of long-

term relationship, pseudorelationship, or service encounter (Guttek, 1995). Future research should continue to examine how leadership helps high NA individuals, or those individuals whose personality does not match their work, enhance work outcomes in relation to other emotional experiences (e.g., felt emotions, emotional displays), and future research should study different mediators in relation to customer service.

To summarize, our results addressed Grandey's (2000) call to examine how high NA people can regulate their emotions to arrive at an effective outcome. By doing so, our findings contribute to the leadership literature, the emotion regulation literature, and the customer service literature by portraying from a different angle (the angle of high NA service workers) the effects that transformational leadership can have on service employees' emotion management, job satisfaction, job performance, and finally on customer outcomes.

Practical implications

This study has managerial implications for organizations managing frontline employees. Although it is organizations' intention to select and maintain service workers who can naturally express positive feelings, inevitably, there exist service workers who are obviously less prone to do so. Given that turnover could be costly, a better solution for the organizations is to find an effective way for those employees to perform and stay. The results of the current study suggest that the selection and development of transformational leaders is likely to be especially important when dealing with frontline employees who are disposed to be NA people or those for whom expressing positive emotions is difficult. Those leaders are to be trained to treat high NA workers with support characterized by leaders who listen to and who interact with high NA workers. It is through those actions that high NA individuals could be induced to express their pleasant emotions and to perform, which ultimately, leads to favourable customer outcomes.

Study limitations

This study is not without limitations. First, though our data were collected from three sources (leaders, employees, and customers), not all of the linkages in our model were immune to the effects of common method (source) variance. Whereas most links (e.g., between job satisfaction and service performance, and between service performance and service perceptions) underwent testing using multiple sources of data, a couple of coefficients (involving variables of leadership, amplification of pleasant emotions, and job satisfaction) underwent examination based on data from the same source. These relationships need to be interpreted carefully as they may be inflated by common method variance (Podsakoff et al., 2003). Although we had a good reason to use employees as the source of these data, this reason does not make the possible limitation disappear. To alleviate some of the concerns over method or source effects, we adopted Podsakoff et al.'s (2003) procedural remedy by separating the measures of the predictors and criteria in the questionnaires, thereby making it more difficult for participants to recognize the implied causal relationship. Empirically, we estimated a three-factor model, submitting variables from the same source into one factor to examine whether the source had an effect. The result as shown in Table 2 (CFA2) indicated poor fitting statistics. Consequently, the earlier effort and evidence suggest that our findings are not overly susceptible to method or source effect.

Second, because the company designator and the study's researchers had no access to customers served by our employee participants, we asked that employees invite their customers to participate. To reduce the possibility of selection bias, we instructed employees to distribute surveys to the next customer they served after receiving the survey package from the designator. In addition, all customers received assurances of the confidentiality of their replies and received instructions to send the survey directly back to the researchers. Possible selection bias such as employees selecting their favourite customers could result in a range restriction on the customer variables and might have limited our ability to find significant relationships. We were not able to compare the means of study variables for the study sample and the nonresponse sample because the data of the latter group were not available. However, the means and standard deviations of our customer-evaluation variables were comparable to the means and standard deviations attributable to studies that recruited customers randomly. In addition, the present study's customer-service outcomes were significantly correlated with theoretically relevant variables such as employee job satisfaction and service performance assessed in relation to two different sources, employees and managers. Last, it would be optimal to obtain multiple customers per service employee, but doing so could be at the expense of the response rate of employees. However, we recommend that future research recruit multiple customers whenever research designs allow.

Conclusion

Though transformational leadership, emotional labour, and customer service have been three of the more vibrant topics in the last decade of organizational behaviour research, past research has not actually linked these research areas to one another. Indeed, most of the past research approached the issues of leadership, emotions, and customer service from only one or a couple of respective perspectives; in contrast, our model represents a more complete picture by relating together concepts from each of these areas. In addition, on the basis of social interaction models, we have drawn on employee disposition to explain two critical points: how the hypothesized relationships hold true for service workers characterized by NA, and how those individuals, through interactions, can manage their emotions to achieve effective service outcomes. We hope that this model helps delineate how transformational leadership and positive emotion regulation serve to elevate employees' mood, satisfaction, and performance—and, ultimately, serve to strengthen positive customer experiences.

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