出國報告（出國類別：國際會議）

２００９年參加美國管理學會年會論文發表與參與心得報告

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２００９年參加美國管理學會年會論文發表與參與心得報告

目的: 參與全球最大規模之管理學術研討會，發表 1 篇論文增加本國學術研究之全球曝光度，並觀摩全球各地管理學者最新之研究趨勢與內容

過程: 8/06 抵達芝加哥 並誰及參與開幕儀式及專題演講，8/7-8/10 參與各項專題工作坊與各場次論文發表之聆聽，8/11 下午發表本次論文，8/12 參與早上場次論論壇後，隨即赴機場搭機返國，8/14 清晨返抵國門。

心得:與建議
此次參加之會議爲全世界管理領域規模最大的組織與會議:美國管理學會年會及研討會。該學會年會每年都有上萬篇以上的文章投稿，而平均的論文接受率僅有 14%。此次文章能被接受，且以口頭發表方式，深感榮幸。此次大會之主題爲綠色管理，大會在此方面做得相當徹底，除有相關之專題、工作坊、圓桌會議、及相關之研究論文發表討論外，大會還以身作則，不論是在會議報到採用非常方便之自助登錄、同時亦以網路文章下載及 online learning center 隨時可掌握各重要場次之相關老論現場錄影及文章資料。此次光大會議程(program book)就高達近五百頁，還不包含各 PDW 及口頭與海報展示之文章的摘要與全文。因此採用非常先進的網路管理系統，變成爲本次會議最爲重要之綠色管理工程。除非是經濟規模如此大的會議(預估註冊發表與參與之人數高達二萬人以上，其中來自美國全球各大學之博班學生亦佔了約有二成左右)，否則光是開發建構、現場提供近五十台以上之電腦供查詢、系統之維護、各鄉資訊之 UPDATE、各樣問題之接受與維護等，都是一般非專業型組織(及臨時組成、或僅由單一學校科系辦理等無法長期累積資源及得依賴政府年度預算有一年沒一年的者)所望塵莫及的。
更別的是此次參與之國家別高達六十幾個國家，二十幾個專業領域分會，亦都至少有百篇以上之文章或研討(個人所屬之 HR 與 OB 就更高達上千篇)。

本人這次與其他幾位共同作者發表之論文爲”**A Multilevel Investigation on Mechanisms Linking Transformational Leadership and Customer Outcomes** ”請參考後面附件。

除此之外，還根據本人近年研究主題，在四天的研討會中參與了多場有關 EMOTIONAL ＬＡＢＯＲ相關議題幾篇論文之討論

1. **The Effect of Customer-Directed Justice on Service Agents?Emotions and Behavior**
   Author: **Sarah Hovind**; U. of Lethbridge;
   Author: **Janelle Enns**; U. of Lethbridge;

2. **Promoting Good Service: A Study of Regulatory Focus and Emotional Labor**
   Author: **Jason Dahling**; College of New Jersey;
   Author: **Hazel-Anne M. Johnson**; Rider U.;
3. **Daily Customer Mistreatment and Employee Sabotage against Customers: A Resource Perspective**
   Author: **Mo Wang**; U. of Maryland, College Park;
   Author: **Hui Liao**; U. of Maryland, College Park;
   Author: **Yujie Zhan**; U. of Maryland, College Park;
   Author: **Junqi Shi**; Peking U.;
   Author: **Zheyu Zhang**; CCSI Company
4. **How do Nurse Managers use Emotional Labor? An Ethnographic Interpretation of an Organizing Framework**
   Author: **Frances Peart**; U. of Queensland;
   Author: **Amanda Margaret Roan**; U. of Queensland
5. **How Middle Managers?Emotions and Social Identities Influence the Implementation of a New Strategy**
   Author: **Quy Nguyen Huy**; INSEAD
6. **Mood and Creativity: A Mood-Regulation Perspective Moderated by Goal Orientation**
   Author: **March L. To**; U. of Queensland;
   Author: **Patricia Ann Rowe**; U. of Queensland;
   Author: **Cynthia D Fisher**; Bond U
7. **No Need to Cheer Up the Cheerful: Positive Affect Dampens the Impact of Transformational Leadership**
   Author: **Bjoern Michaelis**; U. of Heidelberg;
   Author: **Jochen I. Menges**; U. of St. Gallen;
   Author: **Kizzy M. Parks**; K. Parks Consulting, Inc.;
   Author: **Ralf Stegmaier**; U. of Heidelberg;
   Author: **Karlheinz Sonntag**; U. of Heidelberg;
   Author: **Daniel McDonald**; Defense Equal Opportunity Management Institute

並在 Tuesday, Aug 11 2009 參加了一場在 3:00PM - 4:30PM 的 SYMPOSIUM:

1. **A Multilevel Investigation of Display Rules, Emotional Labor, and Employee Well-being in China**
   Presenter: **James Diefendorff**; U. of Akron;
   Presenter: **Jane Yang**; City U. of Hong Kong;

Presenter: **Cecily Becker**; U. of Akron;

2. **Multi-foci Justice and the Attitudes, Emotional Exhaustion and Emotional Labor of Service Workers**
   Presenter: **Marion Fortin**; Durham U.;
   Presenter: **Deborah Elizabeth Rupp**; U. of Illinois, Urbana-Champaign;
   Presenter: **Konstantina Kougiannou**; Durham U.;
3. **Dirty Work as a Positive Identity: How Emotion Regulation Improves Attitudes and Performance**
   Presenter: **S. Douglas Pugh**; U. of North Carolina, Charlotte;
   Presenter: **Alicia A. Grandey**; Pennsylvania State U.;
   Presenter: **Joseph Andrew Allen**; UNCCharlotte;
4. **Do we know emotional regulation skill when we see it? A multi-trait multi-method analysis**
   Presenter: **Hillary Anger Elfenbein**; Washington U. in St. Louis;
   Presenter: **Sigal Barsade**; U. of Pennsylvania;
   Presenter: **Noah Eisenkraft**; U. of Pennsylvania

有關情緒勞務管理議題在美國及歐亞各州均已或各管理學界重視並展開各種角度之研究，不論從社會學、心理學或勞工關係等角度， 不論從圍觀還是巨觀之管理觀點均有各國學者關心，分別有高達近三十多篇之研究，已成爲研究熱。我國有三篇相關之論文有與之相關，未來應可集合更多相關之研究者，在明後年以集體之型式參與，不但可增加在國際之曝光，亦可以團體力量掌握在國際主導這領域之發展。

A Multilevel Investigation on Mechanisms Linking Transformational Leadership and Customer Outcomes

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A MULTILEVEL INVESTIGATION ON MECHANISMS LINKING TRANSFORMATIONAL LEADERSHIP AND CUSTOMER OUTCOMES: THE ROLE OF SERVICE CLIMATE AND ADAPTABILITY

ABSTRACT

This study investigated the mechanism of the service climate in the relationship between transformational leadership and employee adaptability, which resulted in positive customer outcomes in service encounter. A multilevel perspective was adopted to facilitate understanding of the complex relationships among variables. Data was collected from 165 customer-contact employees and 262 customers from 25 optical stores. This study found that service climate fully mediated the effect of transformational leadership on employee adaptability and ultimately led to customer satisfaction and customer loyalty.

Keywords: Transformational leadership, service climate, adaptability, customer satisfaction, customer loyalty

INTRODUCTION

Frontline service customer-contact employee adaptability (c.f. Hartline & Ferrell, 1996; Weitz, Sujan, & Sujan, 1986) is critical in service encounter. As the primary customer organization interface, frontline customer-contact employees interact with their customers by adjusting their behaviors to the interpersonal demands of the service encounter (Hartline & Ferrell, 1996) and

fulfill customers' unmet needs (Bitner, Booms, & Mohr, 1994; Reid, Pullins, & Plank, 2002).

Apparently, previous literature indicated the antecedents and consequences of employee adaptability. Although employee-based drivers have appeared frequently in literature (e.g., Gwinner, Bitner, Brown, & Kumar, 2005; Park & Holloway, 2003; Weitz et al., 1986), little attention on leader-based drivers has been received (e.g., Ahearne, Mathieu, & Rapp, 2005). Leaders influence employee behaviors to meet their personal expectations. But, in service encounter, leaders presently have difficulty observing and correcting employee behaviors to ensure service quality (Lengnick-Hall, 1996; Schneider & Bowen, 1993; Schneider & Bowen, 1995). Previous studies demonstrated that the leader shapes a specific atmosphere (Liao & Chuang, 2007); especially those who utilize transformational leadership, the most efficient leadership style (Elkins & Keller, 2003), is conducive to shaping the service climate (Liao & Chuang, 2007). "Service climate" implies guides customer-contact employee to deliver superior service (Schneider & Bowen, 1993; Schneider & Bowen, 1995), thus they pay attention in order to adjust their behaviors to satisfy customer needs but not necessarily to sell products. Accordingly, this study suggests that transformational leadership can shape service climate and then lead to customer-contact employee adaptability.

In addition, employee-related performance (e.g., selling performance, job performance) are important outcomes illustrated for employee adaptability in sales management literature (e.g.,

Franke & Park, 2006; Park & Holloway, 2003; Spiro & Weitz, 1990; Weitz et al., 1986). However, employee adaptability is linked with customer perceptions of the service encounter (De Jong & De Ruyter, 2004; Hartline & Ferrell, 1996); therefore, understanding employee adaptability outcomes from the customer perspective, such as customer satisfaction and customer loyalty toward employees and firms (e.g., Ahearne et al., 2005; Liao & Chuang, 2004; Palmatier, Scheer, & Steenkamp, 2007; Salanova, Agut, & Peiro, 2005; Schneider et al., 1998) becomes essential.

Because of the aforementioned literature gaps, the purpose of this study tries to remedy the gap to further understand the role of customer-contact employee adaptability in service encounter. More specifically, this study conceptualizes a model to investigate the mechanism of service climate as it is incorporated in the relationship between transformational leadership and employee adaptability, resulting in customer satisfaction and customer loyalty in multilevel analysis. The multilevel perspective from transformational leadership arouses customer-contact employee adaptability and service outcomes remain unaddressed by researchers. In fact, the adoption of multilevel analysis will not only enhance our understandings of employees' behaviors, but will also prevent the shortcomings inherent in the single-level analysis. To extend our understandings of the complex relationship among variables, this study will adopt the multilevel perspective to discuss the issue at different levels. The integrative multilevel is depicted in Figure 1.

Insert Figure 1 about here

THEORY AND HYPOTHESES

Transformational Leadership and Service Climate

Service climate is defined as employees' shared perceptions of the policies, practices, and procedures that are rewarded, supported, and expected concerning customer services (Schneider et al., 1998). In a work setting, the leadership of the immediate supervisor as the most salient, tangible representative of management actions, policies, and procedures means a key filter in the interpretations that provide the basis for employees' climate perceptions (Kozlowski & Doherty, 1989, p. 547). One of the most efficient leadership styles is that of transformational leadership (Elkins & Keller, 2003). Transformational leaders display four types of behaviors (Bass, 1985): *inspirational motivation* refers to articulating a compelling vision that energizes followers; *charisma or idealized influence* happens when leaders behave as employees' charismatic role model and can consist of behaviors and attributes (Bass & Avolio, 1995); *individualized consideration* focuses on leaders' attentiveness to individuals' need for achievement and growth by acting as coaches or mentors; and *intellectual stimulation* focuses on stimulating followers by questioning assumptions, reframing problems, and approaching old situations in new ways.

Accordingly, these components suggest that transformational leadership would positively influence the service atmosphere.

More specifically, in the service context when a leader articulates a compelling vision for customer service and conveys values and importance of superior service toward their customers (Bass, 1985). According to social information processing theory, customer-contact employees depend on information conveyed by the leader to interpret what their organization expects for their behaviors and to construct their perceptions (Salancik & Pfeffer, 1978). Moreover, leaders repetitively communicate what is right and wrong with employees, resulting in the leader's personal beliefs becoming a part of the organization's service climate (Schein, 1992).

Likewise, when a leader serves as a role model, showing correct service methods may encourage customer-contact employees through a social learning process of repeat observing and interacting with their leader to discover appropriate behaviors in different service settings (Bandura, 1986; Wood & Bandura, 1989). Through this process, employees realized their leaders support excellent service behaviors, thus inspiring them to internalize the work values consistent with their leader's mission and enabling them to construct their perception of service. Therefore, the transformational leader, acting as a role model, is able to nurture a service climate (Schein, 1992).

When a leader practices individualized consideration, he/she pays attention to employees'

abilities, aspirations, and needs to enhance their confidence in responding to and facing various problems in their organizations (Avolio, 1999). Leaders provide appropriate guidance to those who cannot achieve the requirements of quality service and help them remove the obstacles that prevent them from providing high-quality service. Employees understand the importance of delivering superior service, and are committed to deliver better services, which will ultimately construct a superior service climate. In service climate literature, Borucki and Burke (1999) indicated that providing appropriate training and information for tasks to achieve goals is helpful in enhancing a service climate.

Hypothesis 1: Transformational leadership is positively related to service climate.

Service Climate and Employee Adaptability

Employee adaptability refers to the ability of customer-contact employees to adjust their behavior to the interpersonal demands of the service encounter (Hartline & Ferrell, 1996, p. 59). Previous studies indicated that employees' behaviors were influenced by organizational climate (e.g., James & Jones, 1974; Salancik & Pfeffer, 1978; Schneider, 2000). A goal-specific organizational climate signals what needs to be done and what is appropriate for the employees in a given work setting, which molds their behavior toward organizational goals (Schneider, 1983). Following this concept, the service climate transmits signals to customer-contact employees who perceive that superior service is expected, desired, and rewarded; this makes employees come to

realize that delivering superior customer service is the highest priority (Liao & Chung, 2004). Moreover, a strong motivational force will cause employees to commit themselves to delivering superior service (Liao & Chung, 2007) to satisfy customer needs. Through deeply listening to and understanding customers' needs and preferences, customer-contact employees will adjust their behaviors or skills to meet customers' diversity needs. Accordingly, the stronger service climate they perceive, the more they are likely to adapt their behaviors.

Hypothesis 2: Service climate is positively related to employee adaptability.

The Mediating Role of the Service Climate

Based on the aforementioned reasons, the way in which the transformational leader shapes the service climate implies that such employees provide excellent services to their customers in a service setting. Service climate further influences employees to adjust their behavior to meet customers' needs.

Schneider et al. (2005) indicated that service leadership affects the service climate, and then facilitates customer-focused OCB and previous safety climate literature indicated that transformational leadership through developing a safety climate to reduce occupational injuries (Barling, Loughlin, & Kelloway, 2002; Zohar, 2002). Extending these research results to the service context, this study expect the service climate to be a mediator in the relationship between transformational leadership and employee adaptability. Therefore, the following hypothesis is

addressed.

Hypothesis 3: Service climate mediates the relationship between transformational leadership and employee adaptability.

Store-Level Employee Adaptability and Customer Outcomes

Previous studies indicated that customer service outcomes include customer satisfaction and customer loyalty (e.g., Liao & Chuang, 2004; Salanova et al., 2005; Schneider et al., 1998). Consistent with Oliver (1999), we define customer satisfaction as the perception of pleasurable fulfillment of a service store, and customer loyalty as deep commitment to the service store.

By adjusting a unique behavior for a specific customer, customer-contact employees tailor their service to each specific customer preference. As customers perceive their specific preferences being fulfilled, they are going to feel that they have pleasurable experiences with this organization (Bitner et al., 1994; Reid et al., 2002). Gradually, a long-term relationship between customer-contact employees and their customers is considerably strengthened (Marshall, Goebel, & Moncrief, 2003; Park & Deitz, 2006). The stronger the relationship between customers and customer-contact employees, the more willing customers are to repeatedly choose the service provider who fulfills their needs. Therefore, they can express their loyalty by only buying from the service organization at which their favorite service person resides (Palmatier et al., 2007).

In service context, customers were served by multiple service employees in their service

encounter experiences, but not one-to-one experience to them during a whole service process. Following Liao & Chaung's (2004) concept, employee service behaviors aggregated to the store level, which have an influence on customer satisfaction and loyalty. Therefore, in this study, we expected that, when employee adaptability aggregates to the store level, it will predict customer satisfaction and loyalty.

Hypothesis 4: Store-level employee adaptability is positively related to customer outcomes.

METHODS

Participants and Procedures

This study focuses on optical stores in Taiwan. The typical service interactions in the optical setting include optometry services, helping in the purchase of glasses and eyewash, and repairing services. Depending on the complexity of their service requests, employees need to adjust their service behavior during employee-customer interaction. Therefore, the data fit our research requirements.

In this study, we measured constructs with different sources, such as employees rating their immediate supervisor's transformational leadership, service climate, adaptability, and customer-rated customer satisfaction and customer loyalty. We first obtained 30 out of the 45 stores' permission and support from the firm's management for data collection. We then distributed and collected the questionnaires during the optical stores' break time. During this

process, all participants were guaranteed confidentiality.

To assess customers' satisfaction with and loyalty towards the stores, an average of 12 customers were chosen from 25 stores. After the customers left the stores, researchers followed them and invited them to fill out a questionnaire about customer experiences toward the store. To ensure that those customers were appropriate respondents, customers who only purchased eyewash, repaired their glasses, or just asked something about glasses were excluded. They were eliminated from the sample pool for not conforming to the study's purposes. There were 178 questionnaires returned, representing a response rate of 68%. Stores that only have three employees or less were also deleted from the data set. Final data for this study included 165 customer-contact employees and 262 customers from 25 optical stores. Average employees per store were 6.6, and average customers per store were 10.48. The majority of the customer-contact employees (61.8%) and customers (68%) in the final sample were male. The average age of the customer-contact employees in the study was 28.2 years (SD = 9.31), the average tenure was 3.82 years (SD = 3.77), and 76.4% had at least some high school education. The average job tenure of the customer-contact employees was 3.82 years.

Measures

Transformational leadership. Twenty items (α = .95) were adopted from the questionnaire developed by Bass & Avolio (1995) to assess the concept of transformational leadership. All the

items used in this study are modified to ensure that they are appropriate for the service setting (e.g., "My supervisor talks about his/her most important values and beliefs" was changed to "My supervisor talks about his/her values and beliefs in the importance of service"). The scale anchors for the transformational leadership scales ranged from 1, "strongly disagree," to 5, "strongly agree."

Service climate. Seven items (α = .95) were adopted from the questionnaire developed by Schneider et al. (1998) to assess the concept of service climate. A sample item is, "How would you rate the job knowledge and skills of store employees to deliver superior quality service?" The scale anchors for the service climate scales ranged from 1, "strongly disagree," to 5, "strongly agree."

Adaptability. Five items (α = .84) were adopted from the shortened version of the adaptive selling scale modified by Robinson, Marshall, Moncrief, and Lassk (2002). A sample item for employees is, "When I feel that my sales approach is not working, I can easily change to another approach." The scale anchors for the selling adaptability scales were ranged from 1, "strongly disagree," to 5, "strongly agree."

Customer outcomes. Customer satisfaction and loyalty were measured by customers, those data reflected customers' experiences. Customer satisfaction (α = .89) was measured using Gotlieb, Grewal, and Brown (1994)'s three items. A sample item was, "I am happy about my

decision to come to this optical store." Customer loyalty (α = .87) to the particular optical stores the customer visit was assessed with Webster and Sundaram (1998)'s five items. The sample item was, "I will recommend this optical store to others." The scale anchors for the customer satisfaction and loyalty scales ranged from 1, "strongly disagree," to 5, "strongly agree."

Control variables. The study was controlled for the possibility that personality and demographic differences in the predictor and outcome variables might lead to spurious relationships and reduce potential confounding effects. At the individual level, first, customer-contact employees with higher service orientations will engage in more service-oriented behaviors. This makes service orientation a positive predictor of employee adaptability and customer outcomes; therefore, service orientation was utilized as a control variable. Five items (α = .88) were adopted from Bettencourt, Gwinner and Meuter (2001) to assess the concept of service orientation. One sample item was, "I enjoy helping others." Moreover, experienced salespeople may also have a greater ability to identify ways to help satisfy customer needs, a longer-term orientation, and more repeat customers (Franke & Park, 2006). Therefore, this study also controlled for employees' tenure. At the store level, this study controlled store size, because it may be associated with the use of more "sophisticated" human resource practices, which influence employee service performance. In addition, women tend to be transformational leaders more than do men; therefore, the matter of gender was taken into

consideration accordingly.

RESULTS

Descriptive Statistics and Correlation

The correlation matrix and descriptive statistics of all variables across all levels are presented in Table 1. The results showed significant correlations between independent, mediating, and dependent variables; especially, transformational leadership was significantly and highly correlated with service climate (r = .71, p < .001) at the individual level. Moreover, customer satisfaction correlated significantly with customer loyalty (r = .77, p < .001), consistent with results found in prior studies. It is important to note that, however, research variables were more highly correlated with each other at the store level than at the individual level. Transformational leadership, for instance, was significantly correlated with service climate (r = .71, p < .001) at the individual level, but this correlation coefficient improved to r = .85 (p < .001) at the store level. However, this improvement in the strength of relations is consistent with the results disclosed by Ostroff (1992). The same source bias was still a concern, as a result of some variables was rated by employees. A conformational factor analysis was conducted to provide evidence of distance among transformational leadership, service climate, adaptability, and service orientation.

Insert Table 1 about here

Confirmatory Factory Analysis

To verify whether the transformational leadership, service climate, adaptability, and service orientation were distinct from each other, we conducted a confirmatory factor analysis (CFA) on all items in each of the four scales because those variables were evaluated by employees. Researchers specified four first-order plus one second-order factor for transformational leadership along with three separate factors for service climate, adaptability, and service orientation. The fit statistics indicated an acceptable fit for the four-factor model (χ^2/df (491) = 2.46; RMR = .07; GFI = .88; AGFI = .85; NFI = .91; IFI = .90; CFI = .92; RMSEA = .08). These fit indexes provided evidence of the construct distinctiveness and convergent validity of transformational leadership, service climate, adaptability, and service orientation.

Against this four-factor model, we tested four alternative models as model 2, 3, and 4. The fit statistics indicated that any three-, two-, or single-factor model had a worse fit than the four-factor model (see Table 2). The fit indexes of the four models revealed that the common method variation did not have strong effects on the relationships among research variables (Podsakoff & Organ, 1986).

Insert Table 2 about here

Data Aggregation

Because the measurement of transformational leadership, service climate, and adaptability were taken at the individual level before aggregating individual-level data to store-level variables, we must assess the appropriateness of aggregating individual-level data to the store-level variables first.

To assess the viability of aggregating individual-level data to the store-level variables, it is necessary to demonstrate both the between-stores variance and within-store agreement (c.f. Hofmann, 1997; Klein, Dansereau, & Hall, 1994). We used both one-way analysis of variance and intra-class correlation (ICC) analysis to assess between-stores variance and used an inter-rater agreement (r_{wg}) analysis to assess within-store agreement.

The one-way analysis of variance indicated that there were significant differences between stores in transformational leadership ($F_{25,\ 262} = 8.06$, $p < .001$), service climate ($F_{25,\ 262} = 4.25$, $p < .001$), and adaptability ($F_{25,\ 262} = 2.09$, $p < .01$). The study then calculated the following value of the inter-rater reliability index (ICC(1)) and the reliability of group mean index (ICC(2)). The ICC(1) and ICC(2) values were .52 and .88 for transformational leadership, and .35 and .78 for service climate, and .14 and .72 for adaptability exceeding levels suggested by Bliese (1998). Therefore, the ICC(1) and ICC(2) analysis also indicated significant between-stores variance in transformational leadership, service climate, and adaptability.

This study then computed within-group agreement (r_{wg}) with a uniform null distribution (James, Demaree, & Wolf, 1984) for each of the 25 participating stores. Values for transformational leadership ranged from .76 to .83, with a median of .79. Values for service climate ranged from .72 to .76, with a median of .74. Values for adaptability ranged from .65 to .73, with a median of .71. The r_{wg} values we obtained from all variables were above the .70 cutoff value suggested by James (1982) and showed high consistency of ratings among

employees within groups. All of the ICC(1), ICC(2), and r_{wg} values were sufficiently high and provided sufficient support for aggregating the data to the store level of analysis.

HLM Results for Predicating Employee Adaptability

There must be significant between-group variances extant in the dependent variables of interest before we can test the specific hypothesis (Hofmann, 1997). Thus, we estimated one null model (with no predictors involved) for adaptability and found significant between-stores variance for adaptability ($\tau_{00} = .23$, $df = 24$, $\chi^2 = 50.47$, $p < .01$). Intraclass correlation coefficients indicate that 14 percent of the between-stores variance is due to individual adaptability.

The following three preconditions must be met to support a mediation hypothesis (Baron & Kenny, 1986). The first precondition for establishing multilevel mediation is to demonstrate that a significant relationship exists between the independent variable and the dependent variable. The second precondition is to demonstrate that a significant relationship exists between the independent variable and the mediating variable. The third precondition is to demonstrate that a significant relationship exists between the mediating variable and the dependent variable. In addition, at the individual level, variables must be controlled for individual employees' tenure and service orientation. At the store level, this study controlled for leaders' gender and the store's size.

In precondition 1, first of all, this study ran one intercepts-as-outcomes model with transformational leadership (see Table 3 in Model 2) as the store-level predictor and individual adaptability as the individual-level dependent variable. The results indicated that there were significant positive relationships between transformational leadership ($\gamma = .30$, $p < .05$) and individual adaptability.

In the second step, the relationship between transformational leadership and service climate at the store level was examined by ordinary least square (OLS) since these are all store-level

variables. This study found that transformational leadership (β = .80, p < .001) was significantly and positively related to service climate, thus supporting Hypothesis 1 (see Table 4).

Finally, in precondition 3, this study ran an intercept-as-outcome model with service climate as a store-level predictor and individual adaptability as the individual-level dependent variable. The results (see model 3 in Table 4) indicated that service climate was significantly related to individual adaptability (γ = .39, p < .01). Hypothesis 2, therefore, was also supported. In addition, service climate explained 43 percent of the between-stores variance in adaptability. Thus, Baron and Kenny's (1986) three preconditions for mediation were met for transformational leadership. Table 3 (Model 1 to Model 3) presents the results of the HLM analysis for Hypotheses 1 to 3 and for the proportion of between-store variance by store-level variables.

Subsequently, to examine the mediating effect of service climate on the relationship between transformational leadership and individual adaptability, we used a random-intercept hierarchical model with transformational leadership as a store-level predictor and individual adaptability as an individual-level outcome. We examined the changes in the effect of transformational leadership when service climate (the store-level predictor) was added to the regression predicting individual adaptability after controlling for tenure, service orientation, leader's gender, and store size. The HLM results showed that transformational leadership (γ = -.10, p > n.s.) was no longer a significant predictor of individual adaptability when service climate was added to the regression equations (see Model 4 in Table 3). In conclusion, these results reflect the expectation that service climate fully mediates the relationship between transformational leadership and individual adaptability when controlling for tenure, service orientation, leader's gender, and store size. Hence, Hypothesis 3 was supported.

Insert Table 3 about here

HLM Results for Predicating Customer Outcomes with Aggregated Employee Adaptability

As shown in Models 1 to 4 in Table 5, the results of null models indicated that customer satisfaction ($\tau_{00} = 3.94$, $df = 24$, $\chi^2 = 48.41$, $p < .001$) and customer loyalty ($\tau_{00} = 3.87$, $df = 24$, $\chi^2 = 56.55$, $p < .001$) varied significantly by stores. In addition, intraclass correlation coefficients indicated that 17 and 20 percent of the variance in customer satisfaction and customer loyalty, respectively, existed between stores.

To examine the hypotheses between aggregated adaptability and individual customer's attitude towards a particular store, this study ran two separate intercept-as-outcome models with adaptability as a store-level predictor and with individual customer satisfaction (Model 1 in Table 5) and customer loyalty (Model 3 in Table 5) as the individual-level dependent variables.

The HLM results indicated that store-level adaptability was significantly and positively related to customer satisfaction ($\gamma = .40$, $p < .05$) and customer loyalty ($\gamma = .64$, $p < .001$), when controlling for customer gender, customer age, and store size. More importantly, approximately 21 percent of the between-store variance in customer satisfaction and 83 percent of the between-stores variance in customer loyalty was explained by store-level adaptability.

Insert Table 4 about here

Insert Table 5 about here

DISCUSSION

In this research, an attempt was made to examine how customer-contact employee adaptability is formed, along with its influences on service outcomes, with a multilevel analysis. In general, the research findings have validated the antecedents and outcomes of employee adaptability. That is, transformational leadership has a positive effect on service climate, and service climate has positive effect on employee adaptability, which supports the mediating role of the service climate. Moreover, store-level customer-contact employee adaptability has a positive effect on customer satisfaction and customer loyalty.

Based on research findings, this study contributed literature in three facets. The first contribution of this study was to add to adaptability literature from a leadership perspective to further understand employee adaptability behavior and service outcomes at a multilevel. In addition, our finding also contributed to previous service climate literatures, enabling further understanding that the organizational climate does not significantly limit employees' attitudes (e.g., Bommer, Rich, & Rubin, 2005; Judge & Piccolo, 2004; Liao & Chuang, 2007) but that it does significantly affect adaptive behavior (i.e., employee adaptability) in service organizations. Finally, this multilevel model remedied weak findings in previous single-level analyses of antecedents and outcomes of adaptability, from a macro view to understanding the influence of environmental factors on adaptability to preventing the weakness of single–level analysis. This

provides a more holistic viewpoint regarding the effect of transformational leadership on adaptability via the service climate and results in positive customer outcomes.

Managerial Implications

Based on research findings, several implications are revealed to service organization managers. This study believes these implications may helpful for leaders and organizations in facilitating customer-contact employee adaptability. First, service organizations should develop leaders' styles for transformational leadership. As argued by the proponents of leadership behavior theories, leadership skills can be learned and people can be taught to be leaders. Hence, organizations could provide training programs for transformational leadership development; e.g., programs for communication, motivation, and vision. These activities help leaders not only equip employees with the potentials to be more willing to adjust their behavior to gratify customers' unmet needs, but also to construct the service climate. Furthermore, organizations should concentrate on establishing the service climate by selecting and training employees to have the required knowledge and skills to deliver superior quality service; measuring and tracking service quality; rewarding employees for excellent service performance; and providing employees with the necessary technology and resources to delivery high-quality service may help construct a positive climate for service (Schneider et al., 1998). These activities will form a positive perception of service climate and facilitate employees' engagement in adaptability.

Limitations and Future Research

Several limitations of this research should be considered. The cross-sectional design of the present study precluded the interpretation of the direction of causality among variables. Longitudinal research could help researchers, in the future, to better understand not only mutual causation for dynamic mapping but also the underlying process among variables. Moreover, employee adaptability was measured by employees, which is not objective measurement. Future research can adopt objective ways to measure it—such as leaders measuring employees' adaptability—that will further clarify understanding of the underlying processes in service outcomes. In addition, transformational leadership, service climate, and adaptability were assessed via employee, giving rise to concerns about common method bias. This study used CFA analysis, which revealed that the four-factor model had a better fit than comparable models. Therefore, common method variance was not a serious threat in this study.

Future research can also explore the effect of different leadership styles on employee behaviors and services outcomes. Results from meta-analysis indicated that both transactional and transformational leadership are likely displayed by the same leader in different amounts and intensities (Bass, 1998). Transactional leadership occurs primarily through contingent reward and managing by exception to change employees' attitudes and behaviors (Avolio, Bass, & Jung, 1999); for example, by setting goals; articulating leaders' expectations toward the organization's

members; recognizing and rewarding their efforts to provide high quality service to ensure they devote themselves to improving service quality; providing constructive feedback and punish employees who do not achieve expectations; and keeping individuals apprised of the requirements of service delivery (Bass & Avolio, 1993; Howell & Hall-Merenda, 1999). On the other hand, transactional leadership encourages the development of service climate and employee adaptability in a service organization. To clarify the force of leadership in the service sector, further researchers can examine the critical influences of both transformational leadership and transactional leadership on the service climate and adaptability in the future.

Besides, customer-focused OCBs and employee adaptability are important behaviors for service providers when they encounter their customers. Both of these behaviors are beneficial for developing long-term relationships between service providers and customers, but basically have huge differences in nature. Customer-focused OCBs are behaviors that are related but that are not central to an individual's job; however, employee adaptability is key to the daily job performance of the frontline service employee (Gwinner et al., 2005). Therefore, future research can investigate customer-focused OCBs and employee adaptability on service outcomes.

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FIGURE 1

A Multilevel Model of Customer Outcomes

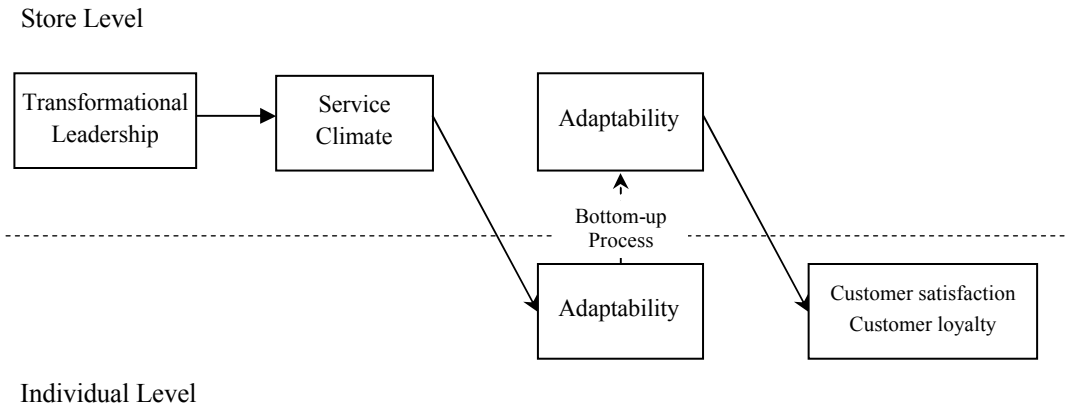

TABLE 1

Descriptive Statistic and Correlations[a]

Variable	Means	s.d.	1	2	3	4	5
Individual-level, employee							
1.Gender	1.40	.56					
2.Tenure	3.82	3.77	-.17*				
3. Service orientation	3.99	.62	.13	.22**			
4. Transformational leadership	4.05	.62	-.05	.05	.43***		
5. Service climate	4.04	.64	.11	-.09	.43***	.71***	
5. Adaptability	3.93	.61	.31	.23**	.47***	.29***	.43***
Individual-level, customer							
1. Age	28.2	9.31					
2. Gender[b]	1.68	.47	.07				
3. Customer satisfaction	3.94	.62	.07	.04			
4. Customer loyalty	3.87	.69	.08	.06	.77***		
Store-level measures							
1. Transformational leadership	4.05	.47					
2. Service climate	4.06	.45	.84***				
3. Adaptability	3.93	.36	.57**	.62***			
4. Customer satisfaction	3.89	.34	.22	.41*	.60***		
5. Customer loyalty	3.85	.32	.27	.46*	.69***	.85***	

[a] For individual employee measures, n = 165; for individual customer measures, n = 262; for store-level measures, n = 25

[b] Coded as male, 1. female, 0.

* $p < .05$.

** $p < .01$.

*** $p < .001$.

TABLE 2

Comparison of Structural Equation Models

Model	Factors	χ^2	df	χ^2/df	$\Delta\chi^2$	RMR	GFI	AGFI	NFI	IFI	CFI	REMRA
1. Model 1[a]	Four factors	1206.79	491	2.46		.07	.88	.85	.91	.90	.92	.08
2. Model 2	Three factors: TL and SC are combined into	1353.49	496	2.73	146.7	.11	.76	.71	.77	.86	.86	.1
3. Model 3	Three factors: TL and A were combined into	1332.81	491	2.71	126.02	.16	.78	.73	.78	.87	.86	.1
4. Model 4	Two factors: TL, SC and A were combined	1558.14	496	3.14	351.35	.08	.70	.65	.72	.81	.80	.11
5. Model 5	One factor: all variables were	1781.28	496	3.59	574.49	.07	.65	.59	.67	.74	.74	.13

[a]Baseline model.

TL = Transformational leadership; SC = Service climate; A = Adaptability.

TABLE 3

Hierarchical Linear Modeling Results for Adaptability [a]

Variable	Adaptability			
	Model 1	Model 2	Model 3	Model 4
Individual level				
Intercept	3.92***	3.91***	3.92***	3.92***
Gender	.04	.04	.04	.04
Tenure	.02	.02	.03*	.03*
Service orientation	.41***	.41***	.39***	.39***
Store level				
Store size	.01	.01	.00	.01
Transformational leadership		.30*		-.10
Service climate			.39**	.50*
$R^2_{\text{betwen-groups}}$ [c]		.39	.43	.33

[a] For individual level, n = 165; for store level, n = 25

[b] Coded as male, 1. female, 0.

[c] Proportion of between-stores variance explained by the model specification as compared with null model.

* $p < .05$.

** $p < .01$.

*** $p < .001$.

TABLE 4

Regression Analysis Results for Service Climate[a]

Variable	Service Climate	
	Model 1	Model 2
Store size	-.014	-.010
Transformational leader		.80***
R^2	.021	.723
ΔR^2		.702
F	.5	28.677***
ΔF		28.177***

[a] n = 25

*** $p < .001$.

TABLE 5
Hierarchical Linear Modeling Results for Customer Outcomes[a]

Variable	Customer satisfaction		Customer loyalty	
	Model 1	Model 2	Model 3	Model 4
Individual level				
Intercept	3.94***	3.93***	3.85***	3.85***
Customer gender	.02	-.00	.04	- .01
Customer age	.03	.03	.03	.04
Store level				
Store size	.01	.00	.02	.01
Adaptability		.40*		.64***
$R^2_{\text{betwen-groups}}$[c]		.21		.83

[a] For level 1, n = 262; for level 2, n = 25

[b] Coded as male, 1. female, 0.

[c] Proportion of between-stores variance explained by the model specification as compared with null model.

* $p < .05$.

*** $p < .001$.