



UNIVERSITY OF LEEDS

This is a repository copy of *Transformational Leadership and Restaurant Employees Customer-Oriented Behaviours: The Mediating Role of Organizational Social Capital and Work Engagement*.

White Rose Research Online URL for this paper:
<http://eprints.whiterose.ac.uk/137051/>

Version: Accepted Version

Article:

Mostafa, AMS (2019) Transformational Leadership and Restaurant Employees Customer-Oriented Behaviours: The Mediating Role of Organizational Social Capital and Work Engagement. *International Journal of Contemporary Hospitality Management*, 31 (3). pp. 1166-1182. ISSN 0959-6119

<https://doi.org/10.1108/IJCHM-02-2018-0123>

© 2019, Emerald Publishing Limited. This is an author produced version of a paper published in the *International Journal of Contemporary Hospitality Management*. Uploaded in accordance with the publisher's self-archiving policy.

Reuse

Items deposited in White Rose Research Online are protected by copyright, with all rights reserved unless indicated otherwise. They may be downloaded and/or printed for private study, or other acts as permitted by national copyright laws. The publisher or other rights holders may allow further reproduction and re-use of the full text version. This is indicated by the licence information on the White Rose Research Online record for the item.

Takedown

If you consider content in White Rose Research Online to be in breach of UK law, please notify us by emailing eprints@whiterose.ac.uk including the URL of the record and the reason for the withdrawal request.



eprints@whiterose.ac.uk
<https://eprints.whiterose.ac.uk/>

Transformational Leadership and Restaurant Employees Customer-Oriented Behaviours: The Mediating Role of Organizational Social Capital and Work Engagement

Ahmed Mostafa

University of Leeds, U.K.

Abstract

Purpose: This study proposes and tests a sequential mediation model in which transformational leadership engenders organizational social capital (OSC) which, in turn, enhances customer-oriented behaviours through work engagement.

Design/methodology/approach: The study's model was tested using a sample of 229 floor staff from 23 casual dining restaurants in the UK. Multiple source data was used where transformational leadership, OSC and work engagement were rated by employees, while employees customer-oriented behaviours were rated by supervisors.

Findings: The results of generalized multilevel structural equation modelling provided support for the proposed model and revealed that OSC and work engagement sequentially mediate the link between transformational leadership and customer-oriented behaviours.

Originality/value: The study addresses calls for research on the link between leadership and customer-oriented behaviours, and the potential mechanisms through which this relationship may take place.

Keywords: Transformational leadership; Organizational social capital; Work engagement; Customer-oriented behaviours; Casual dining restaurants

Introduction

Customer-oriented behaviours are the useful behaviours of employees directed towards organizational customers (Bettencourt and Brown, 1997). Such behaviours promote more effective service delivery, enhance customer satisfaction and help the organization fulfil the changing needs of customers (Bettencourt et al., 2001; Tang and Tang, 2012; Teng and Barrows, 2009). In the recent years, customer-oriented behaviours have gained increased attention by scholars (Teng and Barrows, 2009). However, the effect of leadership on these behaviours is still “inconclusive” and the process through which leadership behaviours could influence customer-oriented behaviours is still “ambiguous” (Auh et al., 2014, p. 558,559). Accordingly, this study examines the relationship between transformational leadership and customer-oriented behaviours, and sheds light on the potential mechanisms through which this relationship may take place.

Transformational leadership is generally regarded as the “most effective” form of leadership (van Knippenberg and Sitkin, 2013, p. 2). Because of its effectiveness, this leadership style has gained more attention by scholars than any other leadership style (Chuang et al., 2012; Kovjanic et al., 2012). Prior studies have consistently revealed that transformational leadership encourages employees to “go the extra mile”, and motivates them to display behaviours that are beneficial to the organization and its stakeholders (Bottomley et al., 2016, p. 390). Drawing on social learning theory (Bandura, 1986) and work engagement theories (Bakker and Demerouti, 2008; Kahn, 1990), this study proposes that transformational leadership creates organizational social capital (OSC) which, in turn, enhances customer-oriented behaviours through work engagement. Figure 1 presents this study’s conceptual model.

-Place Figure 1 Here –

By examining the suggested model, this study contributes to the literature in a number of ways. First, even though several studies have tested the processes through which transformational leadership enhances positive employee outcomes, there are still calls for more research that investigates the mediators of the link between transformational leadership and beneficial work behaviours (Aryee et al., 2012; Kovjanic et al., 2012). This is mainly because, as argued by Yukl (1998, p. 328), there could be “a variety of different influence processes through which transformational leaders influence followers”. This study responds to these calls and illuminates the processes through which transformational leadership enhances employee customer-oriented behaviours.

Second, this study contributes to the OSC literature. OSC can be viewed as a resource that reflects the character of social relationships within the organization (Leana and Van Buren, 1999). In spite of its benefits to both the organization and its members, very little attention has been directed to how OSC could be fostered (Chuang et al., 2013; Mostafa and Bottomley, 2018; Parzefall and Kuppelwieser, 2012; Pastoriza et al., 2008). Particularly, there have been calls for research on “how individual managerial behaviours could facilitate social capital development” (Pastoriza et al., 2008, p. 330). Therefore, by testing the role of transformational leadership behaviours on social capital formation, this study extends prior OSC research and provides managers in the hospitality industry with guidance on enhancing OSC in organizations.

This study also contributes to the literature on the association between transformational leadership and work engagement. Work engagement represents a work-related state of mind that reflects high degrees of intrinsic motivation (Salanova and Schaufeli, 2008). Even though

previous studies have shown that transformational leadership is an important predictor of work engagement, there are calls for research on the potential underlying mechanisms through which this relationship takes place (Aryee et al., 2012; Besieux et al., 2015; Ghadi et al., 2013). As concluded by Besieux et al. (2015, p. 13), the link between transformational leadership and work engagement is “paved with explanatory mechanisms” that could and need to be addressed. The present study, therefore, contributes to research in this area by testing the mediating role of social capital on the link between transformational leadership behaviour and employee work engagement.

Finally, in spite of the vital role played by frontline employees for superior service delivery, very little attention has been paid by scholars to the predictors and outcomes of work engagement in frontline service jobs (Karatepe, 2011; Karatepe, 2013a; Slåtten and Mehmetoglu, 2011). As stated by Karatepe (2013a, p. 133), “empirical research pertaining to the antecedents and consequences of work engagement in frontline service jobs is still scarce”. The present study fills this void by testing the proposed relationships using a sample of floor staff in casual dining restaurants in the UK.

Organizational Social Capital as a Mediator of the Transformational Leadership-Work Engagement Link

Transformational leadership is mostly conceptualized as a group of interconnected behaviours comprising idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Bass, 1985). Idealized influence involves displaying respect and trust to followers and helping them develop pride in the organization. Inspirational motivation involves articulating an appealing vision for the future and energizing subordinates to undertake challenging tasks and achieve purposeful goals. Intellectual stimulation involves encouraging subordinates to question previously held presumptions and think in new ways.

Individualized consideration involves identifying and addressing followers' individual needs and helping them achieve their ambitions. Collectively, these behaviours inspire followers to act beyond self-serving interests and exceed their work expectations (Bass, 1985; Bass and Avolio, 1990).

Work engagement is a positive motivational work-related state that is comprised of three dimensions: vigour, dedication and absorption (Schaufeli and Bakker, 2004; Schaufeli et al., 2006). Vigour refers to experiencing high degrees of energy, persistence and mental resilience while working; dedication means feeling enthusiastic about work and having a sense of pride in it; and absorption involves being concentrated and deeply engrossed in work (Schaufeli and Bakker, 2004).

Transformational leadership is believed to contribute to work engagement because of its inspirational appeal and motivational power (Tims et al., 2011). Transformational leadership stimulates followers to "exceed their work expectations" (Bottomley et al., 2016, p. 392). It satisfies followers' higher psychological needs and develops their potential (Kovjanic et al., 2012; Kovjanic et al., 2013; Zhu et al., 2009). It also increases employees' level of identification with work and enhances their feeling that they are making significant contributions to the organization (Zhu et al., 2009). All this is likely to lead to increased satisfaction and involvement with one's job and consequently higher levels of resilience, intensity, and enthusiasm while working. In line with these assumptions, previous studies have shown that transformational leadership is positively associated to work engagement (Aryee et al., 2012; Tims et al., 2011; Zhu et al., 2009).

As mentioned before, research is needed on the mechanisms through which transformational leadership influences work engagement (Aryee et al., 2012). This study proposes that the

transformational leadership-work engagement relationship is mediated by organizational social capital (OSC).

OSC is the sum of actual and potential resources rooted in relationships among individual members of the organization (Leana and Van Buren, 1999). Social capital consists of three dimensions which are highly interrelated: structural, relational, and cognitive (Leana and Pil, 2006; Nahapiet and Ghoshal 1998). The structural dimension relates to the connections between organizational members, particularly the frequency with which they share information. This flow of information helps create a competitive advantage by facilitating individual learning and enhancing cooperation and mutual accountability (Leana and Pil, 2006). The relational dimension relates to the type of personal relationships individuals have developed with each other through a history of interactions (Nahapiet and Ghoshal, 1998). One of its key features is the level of trust among organizational members (Leana and Van Buren, 1999). Trusting relations facilitate cooperative behaviours and allow the transmission of valuable information among members. Finally, the cognitive dimension relates to the shared vision for the organization and the common goals that are developed when organizational members interact. Shared vision and common goals help create a sense of common responsibility and collective action. As mentioned before, the three dimensions of social capital mutually reinforce each other, where people who share the same values about work are likely to have good relations and regularly share information (Leana and Pil, 2006).

Bandura's (1986) social learning theory could help explain the linkage between transformational leadership and OSC. Social learning theory represents one of the most important models for understanding human behaviour. It mainly focuses on the learning of behaviours (i.e. how people learn behaviours) within social contexts. Social learning theory posits that individuals can learn expected behaviours via observing role models. The theory further postulates that models high in prestige and power are likely to have an influential effect

on observers. This means that, because of their power and status in organizations, leaders could influence followers through modelling (Brown et al., 2005).

Transformational leaders are known to be role models whom followers respect, trust and attempt to emulate (Carmeli et al., 2013). Because of their care, concern and fair treatment of subordinates, transformational leaders have good relationships with their subordinates. Such relationships are supported by the richness of communication, mutual trust and openness. Transformational leaders promote cooperation, group cohesion and friendship which, in turn, result in stronger ties between group members (Burke et al., 2006; Schaubroack et al., 2007; Zohar and Tenne-Gazit, 2008). They also promote collective goals, common values and shared vision. Furthermore, they transform the “individualistic” self-concept of followers into a “group oriented” identification with the objectives and mission of the group (Zohar and Tenne-Gazit, 2008, p. 748). As a result of all this, and in line with the assumptions of social learning theory, followers will develop high quality relationships with their co-workers. They will respect them, trust them, feel empathy towards them and offer them constructive feedback so as to successfully achieve group and organizational goals. These assumptions are in line with previous research findings which demonstrate that transformational leadership improves the quality and frequency of communication between employees, fosters trustful relationships between co-workers and enhances shared employee perceptions (Chen et al., 2016; Jung and Avolio, 2000; Men, 2014; Zohar and Tenne-Gazit, 2008). Hence, it is proposed that transformational leadership will contribute to the formation of social capital in the organization.

Hypothesis 1: Transformational leadership will be positively related to OSC.

High quality relationships within organizations, as indicated by social capital, have also been identified as one of the key predictors of work engagement (Chen et al., 2011; Liao et al., 2013; May et al., 2004). As proposed by Kahn’s (1990) work engagement theory, good interpersonal

relationships enhance work engagement by: (1) producing feelings of safety at work, where employees admit mistakes and expose their true selves to others without fearing any negative consequences, and (2) fostering a strong sense of belonging and enhancing perceptions of the meaningfulness of work. In addition, as suggested by the job demands-resources model of work engagement, social support from colleagues represents a major job resource that helps employees become more engaged in work (Bakker and Demerouti, 2008; Schaufeli and Bakker, 2004).

Whilst previous studies have not examined the association between OSC and work engagement, there is some support for the link between interpersonal relationships and employee attitudes within organizations. For instance, Ferrer et al. (2004) found that trust relationships at the co-worker level were a significant predictor of constructive employee attitudes. Also, Liao et al. (2013) found that high quality relationships with co-workers positively predicted work engagement. Accordingly, it is hypothesized that:

Hypothesis 2: OSC will be positively related to work engagement.

Based on the above arguments it could be concluded that OSC could mediate the transformational leadership-work engagement relationship. Hence, the following hypothesis is also proposed:

Hypothesis 3: OSC will mediate the relationship between transformational leadership and work engagement.

Work Engagement as a Mediator of the Organizational Social Capital-Customer-Oriented Behaviours Link

Customer-oriented behaviours refer to the specific behaviours demonstrated by employees during service encounters in order to increase customer satisfaction (Pimpakorn and Patterson, 2010). Such behaviours are generally viewed as a type of prosocial organizational behaviour

directed towards customers (Bettencourt and Brown, 1997; Brief and Motowidlo, 1986). Employees displaying customer-oriented behaviours usually put customers' interests first but without excluding those of other stakeholders so as to help enhance organizational efficiency and effectiveness (Bellou and Andronikidis, 2008; Brief and Motowidlo, 1986).

Based on the social exchange view, it could be argued that OSC is positively related customer-oriented behaviours (Bolino et al., 2002; Mostafa and Bottomley, 2018; Parzefall and Kuppelwieser, 2012). When employees perceive that the organization creates an environment in which they could trust, like and understand each other, they will be eager to "go beyond the call of duty" and more inclined to display behaviours that support the organization's social structure (Bolino et al., 2002, p. 516).

This study proposes that the link between OSC and customer-oriented behaviours is mediated by work engagement. Engaged employees are believed to be "service-minded and client-oriented" in work (Bakker and Demerouti, 2008, p. 214). Two reasons may help explain why employees with high work engagement are likely to display customer-oriented behaviours. First, employees engaged at work usually experience positive feelings such as joy, happiness and enthusiasm. Such emotions cause individuals to be more creative, outgoing, empathetic and helpful to others (Bakker and Demerouti, 2008; Shantz et al., 2013). Second, engaged employees often experience good physical and mental health (Bakker and Demerouti, 2008; Schaufeli and Bakker, 2004). This enables them to perform their jobs well and display proactive prosocial behaviours that help contribute to organizational success (Bakker and Demerouti, 2008; Karatepe, 2013a; Salanova and Schaufeli, 2008).

Prior research findings provide support for these assumptions and suggest that work engagement is positively linked to behaviours that are not required formally as part of the job but facilitate the psychological and social contexts of the organization such as customer-

oriented behaviours (Christian et al., 2011; Karatepe, 2011; Karatepe, 2013a; Shantz et al., 2013). Accordingly, it could be proposed that:

Hypothesis 4: Work engagement will be positively related to customer-oriented behaviours.

Hypothesis 5: Work engagement will mediate the relationship between OSC and customer-oriented behaviours.

Method

Procedure and Sample

Data for this study was collected from a sample of casual dining restaurants floor staff and their managers in the UK. Casual dining restaurants account for only 4% of the total foodservice market in the UK. However, such restaurants are increasing in popularity among UK consumers because they provide good food at a reasonable cost in a pleasant environment. Convenience sampling was used and restaurants were included based on their accessibility. However, this means that the results of this study are not as representative as results based on random sampling.

Two different questionnaires were used. The first collected data on staff perceptions of their managers transformational leadership behaviours, organizational social capital and work engagement, while the second collected data about the floor managers' perceptions of their employees' customer service behaviours.

Thirty restaurants were contacted to take part in the study. In each of these restaurants, ten of the floor staff members were requested to complete the first questionnaire, and one floor manager was requested to complete the second questionnaire. Out of the 30 restaurants approached, 23 chose to participate. From 230 floor staff, 229 completed the questionnaires, giving an effective response rate of 76.33%. Of the 229 respondents, 52.8% were male, 32.7%

were under 20 years old, 59% were between 20 to 30 years old, and the remainder were above 30 years old. As regards to education, 64.6% had a Bachelor's degree, 10.5% had a Master's and 19.2% had completed A Levels. As for the length of service in the restaurants, 93.9% had worked for less than 5 years in their restaurants and the remainder had worked for more than 5 years.

Measures

Responses to all the items in the questionnaire were on a 7-point Likert scale wherein 1 = "Strongly disagree" and 7 = "Strongly agree."

Transformational leadership. Fifteen items developed by Podsakoff et al. (1990) were used in this study to measure the different dimensions of transformational leadership behaviour. Sample items are "My floor manager leads by 'doing' rather than simply by 'telling'" (idealized influence), "My floor manager inspires others with his plans for the future" (inspirational motivation), "My floor manager has stimulated me to think about old problems in new ways" (intellectual stimulation) and "My floor manager behaves in a manner that is thoughtful of my personal needs" (individualized consideration). Cronbach's alpha for the measures of the four transformational leadership dimensions ranged between 0.75 and 0.84.

Organizational social capital. Fifteen items from Leana and Pil (2006) were used to measure the three OSC dimensions (i.e. structural, relational, and cognitive dimensions). Sample items are "Waiting staff at this restaurant have no hidden agendas or issues" (the structural dimension), "I can rely on the waiting staff I work with in this restaurant" (the relational dimension) and "Waiting staff share the same ambitions and vision for the restaurant" (the cognitive dimension). Cronbach's alpha was 0.81 for the structural dimension, 0.87 for the relational dimension and 0.89 for the cognitive dimension.

Work engagement. Fifteen items from Schaufeli and Bakker (2003) were used to measure the three work engagement dimensions (i.e. vigour, dedication, and absorption). Sample items are “At work, I feel bursting with energy” (vigour), “My job inspires me” (dedication) and “It is difficult to detach myself from my job” (absorption). The alpha coefficient was 0.87, 0.85 and 0.81 for vigour, dedication and absorption respectively.

Customer-oriented behaviours. The 6-item scale developed by Peccei and Rosenthal (2001) was used to measure customer-oriented behaviours. A sample item is “This employee often goes out of his/her way to help customers.” The alpha coefficient was 0.86.

Controls. Prior studies have shown that an employee’s age and organizational tenure are likely to explain why frontline workers may vary in their levels of work engagement and customer-oriented behaviours (Auh et al., 2014; Liao et al., 2013; Liaw et al., 2010). Therefore, these variables were controlled for in the analysis to prevent potential alternative explanations for the findings (Carlson and Wu, 2012; Spector and Brannick, 2011).

Data Analysis

The analysis was in two stages. In the first, the measurement model was validated, whereas in the second, because of the nested nature of the data, generalized multilevel structural equation modelling (GMSEM) in Stata was used to test the study’s hypotheses (Anderson and Gerbing, 1988).

Measurement Model Validation

The sample size in relation to the measurement items was relatively small. Therefore, and to minimize estimation problems, item parcels were used as indicators of the latent variables in the study (Bandalos, 2002; Landis et al., 2000). For the multidimensional constructs (transformational leadership, social capital and work engagement), parcels were formed by averaging the items measuring each dimension to keep explicit the multidimensional nature of

each construct and maximize the parcels internal consistency (Little et al., 2002). Accordingly, four parcels were created for transformational leadership, three were created for social capital and three for work engagement. This is in line with previous studies (e.g. Bottomley et al., 2016; Karatepe, 2011; Kovjanic et al., 2012; Leana and Pil, 2006; Li et al., 2013; Salanova and Schaufeli, 2008) in which transformational leadership, OSC and work engagement were treated as higher order constructs.

Following the recommendations of Kishton and Widaman (1994), the parcels internal reliability was assessed by Cronbach's alpha, and dimensionality was estimated by conducting an exploratory factor analysis (EFA). All the alpha values were between 0.75 and 0.89. Furthermore, one component only was extracted for each parcel and the variance explained percentage was greater than 57% for all parcels. Accordingly, all parcels fulfil the minimum criteria for reliability and dimensionality.

For the unidimensional construct, customer-oriented behaviours, three parcels were created by averaging the highest loading items and the lowest loading items sequentially so as to generate balanced parcels and decrease the residual covariance between them (Little et al., 2013).

Then, the discriminant validity of the constructs was assessed using confirmatory factor analysis (CFA). The comparative fit index (CFI), the root mean square error of approximation (RMSEA) and the standardized root mean square residual (SRMR) were used to evaluate model fit. A CFI value of 0.90 or more along with RMSEA and SRMR values of 0.08 or less suggest good fit (Byrne, 2010; Hu and Bentler, 1999; Williams et al., 2009).

The fit of the hypothesized four-factor measurement model (transformational leadership, social capital, work engagement and customer-oriented behaviours) was good (χ^2 (df = 77) = 185.88, $p < 0.01$; CFI = 0.930, RMSEA = 0.079 and SRMR = 0.049). Furthermore, as shown in Table 1, the hypothesized four-factor model fitted the data significantly better than other plausible

models with less factors such as a three-factor model in which work engagement and customer-oriented behaviours were combined into one factor ($\Delta\chi^2 = 403.37$, $\Delta df = 5$, $p < 0.01$), another three-factor model in which social capital and work engagement were combined into one factor ($\Delta\chi^2 = 63.14$, $\Delta df = 5$, $p < 0.01$), a two-factor model in which transformational leadership and social capital were combined into one factor and work engagement and customer-oriented behaviours were combined into another factor ($\Delta\chi^2 = 483.70$, $\Delta df = 9$, $p < 0.01$), and a one-factor model in which all the variables were combined ($\Delta\chi^2 = 497.884$, $\Delta df = 12$, $p < 0.01$). This supports the distinctiveness of the variables used in the conceptual model.

-Place Table 1 Here-

Common Method Bias

To lessen common method bias (CMB) concerns, a number of procedural steps was followed such as including data from multiple sources, assuring respondent anonymity and reducing item ambiguity (Podsakoff et al., 2003; Podsakoff et al., 2012). Yet, because transformational leadership, OSC and work engagement were measured from the same source, the likelihood of CMB influencing the associations between variables remained. Therefore, CMB was tested for using the unmeasured latent method factor approach. This approach involved estimating a measurement model in which the items of transformational leadership, OSC and work engagement loaded on both their theoretical constructs as well as a common factor. This model provided an acceptable fit to the data (χ^2 (df = 897) = 2016.50, $p < 0.01$; CFI = 0.800, RMSEA = 0.074 and SRMR = 0.067). However, the average variance extracted by the common factor was 0.28 which is less than the 0.50 threshold that has been suggested as indicative of the

presence of method bias (Fornell and Larcker, 1981). Hence, CMB is unlikely to be a serious concern in this study.

Descriptive Statistics

The means, standard deviations, correlations among variables, square root of the average variance extracted estimates and the composite reliability estimates are presented in Table 2. As argued by McCormack (1956), constructs could have very high correlations and still maintain distinct patterns of associations with other variables. Therefore, even though the results of the CFA showed that the study constructs are different and distinct, the zero-order correlations showed that they are correlated. As shown in Table 2, consistent with the research hypotheses, the four main constructs (transformational leadership, OSC, work engagement and customer-oriented behaviours) were positively related. The correlations among the constructs are not more than 0.80, suggesting that multicollinearity is unlikely (Kline 2005).

The table also shows that the correlation between OSC and work engagement was relatively high ($r = 0.78$, $p < 0.01$). Therefore, to provide additional evidence on the distinctiveness of the study constructs, the square root of the variance extracted estimate for all constructs was compared with the correlations between them (Fornell and Larcker, 1981). As Table 2 shows, the square root of the variance extracted for all constructs was more than the corresponding inter-construct correlations. This provides further evidence that all study constructs, including OSC and work engagement, are conceptually distinct from each other. Finally, all composite reliability estimates were higher than 0.75, which suggests that the internal consistency of the study constructs was also high (Bagozzi and Yi, 2012).

-Place Table 2 Here-

Hypotheses Tests

As mentioned before, GMSEM in Stata was conducted to test the hypotheses so as to account for the nested nature of the data. The intraclass correlation coefficient (ICC) for customer-oriented behaviours was only 0.04 and the F-value from the one-way analysis of variance (ANOVA) was marginally significant (1.46, $p < 0.10$). This indicates that there is some minor between-group variance in terms of customer-oriented behaviours (Bliese, 2000). However, the ICC values for transformational leadership, OSC and work engagement were 0.14, 0.21 and 0.16 respectively, which suggests that multilevel structural equation modelling is appropriate for testing the study hypotheses (Muthén, 1997, Selig et al., 2008). Figure 2 presents the results of testing the study's model.

-Place Figure 2 Here -

As Figure 2 shows, transformational leadership was significantly and positively related to social capital ($\beta = 0.797$, $SE = 0.105$, $p < 0.01$). Thus, hypothesis 1 was supported. In addition, OSC was positively related to work engagement ($\beta = 0.757$, $SE = 0.133$, $p < 0.01$), providing support for hypothesis 2. Moreover, work engagement was positively related to customer-oriented behaviours ($\beta = 0.315$, $SE = 0.152$, $p < 0.05$). Therefore, hypothesis 4 also received support.

The direct paths from transformational leadership to both work engagement and customer-oriented behaviours, and from OSC to customer-oriented behaviours were non-significant. The indirect effects of transformational leadership on work engagement, and OSC on customer-oriented behaviours were tested using the nonlinear combination of estimators command

(nlcom) in GMSEM in Stata which estimates the magnitude of the indirect effect with respect to the standard error of the indirect effect (Hayes, 2009; Kelly and Updegraff, 2017). The indirect path of transformational leadership via social capital to work engagement was significantly different from zero ($\beta = 0.603$, $SE = 0.121$, $p < 0.01$), and the corresponding 95% confidence interval (CI) ranged between 0.367 and 0.840. Similarly, the indirect path of OSC via work engagement to customer-oriented behaviours was significant ($\beta = 0.239$, $SE = 0.121$, $p < 0.05$), and the 95% CI ranged between 0.001 and 0.476. These findings suggest that OSC mediates the transformational leadership-work engagement relationship and that work engagement mediates the OSC-customer-oriented behaviours relationship, providing support for hypotheses 3 and 5.

Discussion and Conclusions

There have been calls for research on the relationship between transformational leadership and customer-oriented behaviours, and the potential mechanisms through which this relationship may take place. This study tried to address these calls by testing a mediation model in which transformational leadership creates OSC, which, in turn, enhances customer-oriented behaviours through work engagement. Overall, the findings revealed that transformational leadership is indirectly linked to customer-oriented behaviours through the sequential mediation of OSC and employee work engagement.

Theoretical Implications

Besides contributing to the literature on the relationship between transformational leadership and customer-oriented behaviours, this study also contributes to the OSC literature and the literature on the link between transformational leadership and work engagement. The findings revealed that OSC played a key role in the link between transformational leadership and work engagement as it mediated this relationship. Thus, transformational leadership is related to

work engagement because of its influence on the development of social relationships within the organization. In fact, results revealed that almost 50% of the variance in social capital was explained by transformational leadership, suggesting that transformational leadership is a strong predictor of OSC. This finding is consistent with social learning theory (Bandura, 1986) and confirms that transformational leaders are role models whom followers respect, trust and attempt to emulate (Carmeli et al., 2013). It also provides some empirical support for prior research suggesting that transformational leadership enhances the quality and frequency of communication between employees, fosters trustful relationships between co-workers and enhances shared employee perceptions (Jung and Avolio, 2000; Men, 2014; Zohar and Tenne-Gazit, 2008). OSC, on the other hand, was positively and strongly related to work engagement ($\beta = 0.757$), lending support to Kahn's (1990) work engagement theory, which suggests that good interpersonal relationships enhance work engagement by generating feelings of safety at work and fostering a strong sense of belonging. Furthermore, this confirms one of the central presumptions of the job demands-resources model; that social support from colleagues represents a major job resource that helps employees become more engaged in work (Bakker and Demerouti, 2008; Schaufeli and Bakker, 2004).

Moreover, the findings revealed that work engagement mediated the link between OSC and customer-oriented behaviours. This suggests that the positive effects of high quality relationships among individual members of the organization on the useful behaviours of employees directed towards organizational customers occur through work engagement. The positive association between work engagement and customer-oriented behaviours confirms that engaged employees are "service-minded and client-oriented" in work (Bakker and Demerouti, 2008; 214). However, it is important to note that this association was modest ($R^2 = 0.12$). Thus, despite the fact that work engagement is an important predictor of customer-oriented behaviours, it is not at all the main predictor. Previous studies have shown that factors

such as psychological empowerment and organizational climate are also essential for the promotion of customer-oriented behaviours (Auh et al., 2014; Tang and Tang, 2012).

Practical Implications

The findings of this research provide a number of practical implications. First, organizations in the hospitality industry need to nurture the presence of transformational leaders. Specifically, they should seek to hire supervisors who have the potential to display transformational leadership as well as promote staff with useful qualities and skills related to this leadership style (Chen and Wu, 2017; Patiar, and Wang, 2016). Organizations also need to put emphasis on the development of supervisors' transformational leadership skills. This could be achieved through coaching interventions and training programs that help supervisors develop strategies on clarifying their visions and understanding how to offer constructive feedback (Bass and Avolio, 1990). In particular, action-oriented approaches such as role playing can be useful in this regard (Bass, 1999).

Second, organizations in the hospitality industry need to put emphasis on the development and nurturing of social relationships between employees. Specifically, an organizational culture that emphasizes teamwork, shared learning and collective work is viewed as essential for the creation and maintenance of social capital (Leana and Van Buren, 1999). This could be achieved through the implementation of employment practices that encourage stability in employees' relationships such as selecting employees with teamwork and interpersonal abilities and skills, providing new employees with orientation programs that communicate organizational values and culture, organizing social and knowledge exchange events, investing in teamwork and relationship-building training programs, job rotation, and group compensation (Parzefall and Kuppelwieser, 2012; Pastoriza et al., 2008).

Finally, managers need to enhance employee levels of work engagement as this is more likely to result in behaviours that facilitate the psychological and social contexts of the organization

such as customer-oriented behaviours. Besides social support, work engagement could also be enhanced by other factors such as task variety, autonomy, empowerment, the availability of learning opportunities and performance feedback (Bakker and Demerouti, 2008, Liu et al., 2017). Managers could also ensure high levels of engagement by recruiting and selecting individuals with an engaging personality such as those who are conscientious and self-efficacious (Liu and Cho, 2018). They could also use employee recognition programs together with financial bonuses, profit sharing schemes and paid time off (Lu et al., 2016). Furthermore, maintaining a transparent, fair and equitable work environment with fair promotional and career opportunities is also viewed as important for the retention of engaged frontline employees in the hospitality industry (Karatepe, 2013b).

Limitations and Future Research Directions

The study has a number of limitations that need to be considered. First, this study's cross-sectional design makes it hard to draw any conclusions about causality. Despite the fact that the study model was developed on the basis of theory and existing empirical research, studies using experimental or longitudinal designs are required to test causality. The second limitation pertains to common method bias. This study attempted to alleviate this limitation by including data from multiple sources (transformational leadership, OSC and work engagement were rated by employees, while employees customer-oriented behaviours were rated by supervisors). However, to circumvent concerns of common method bias, future research could collect data on the variables at different points of time. For instance, data on employee perceptions of transformational leadership could be collected at Time 1, and data on OSC perceptions and work engagement could be collected at Time 2. The final limitation is related to external validity. This study used a sample of floor staff in casual dining restaurants in the UK and a convenience sample was employed, which makes the generalizability of the findings limited.

Future research in different contexts is required to determine the generalizability of the findings.

In spite of these limitations, this study has shown that both OSC and work engagement play vital roles in the relationship between transformational leadership and customer-oriented behaviours. The study also provides a better understanding of the connections between leadership behaviours, social relationships within organizations and employee outcomes in the hospitality industry.

References

- Anderson, J.C. and Gerbing, D.W. (1988), "Structural equation modelling in practice: a review and recommended two-step approach", *Psychological Bulletin*, Vol. 103, pp. 411–423.
- Aryee, S., Walumbwa, F.O. Zhou, Q. and Hartnell, C.A. (2012), "Transformational Leadership, Innovative Behavior, and Task Performance: Test of Mediation and Moderation Processes", *Human Performance*, Vol. 25 No. 1, pp.1-25
- Auh, S., Menguc, B. and Jung, Y. (2014), "Unpacking the relationship between empowering leadership and service-oriented citizenship behaviours: a multilevel approach", *Journal of the Academy of Marketing Science*, Vol. 42 No. 5, pp.558-579.
- Bagozzi, R.P. and Yi, Y. (2012), "Specification, evaluation and interpretation of structural equation models", *Journal of the Academy of Marketing Science*, Vol. 40, pp.8–34.
- Bakker, A.B., and Demerouti, E. (2008), "Towards a model of work engagement", *Career Development International*, Vol. 13 No. 3, pp.209–223.
- Bandalos, D.L. (2002), "The effects of item parceling on goodness-of-fit and parameter estimate bias in structural equation modelling", *Structural Equation Modeling*, Vol. 9 No. 1, pp.78-102.
- Bandura, A. (1986), *Social foundations of thought and action: A social cognitive view*. Englewood Cliffs, NJ: Prentice Hall.

- Bass, B.M. (1985), *Leadership and Performance beyond Expectations*. New York: Free Press.
- Bass, B.M. (1999), “Two decades of research and development in transformational leadership”, *European Journal of Work and Organizational Psychology*, Vol. 8, pp.9–32.
- Bass, B.M., and Avolio, B.J. (1990), “The implications of transactional and transformational leadership for individual, team, and organizational development”, *Research in Organizational Change and Development*, Vol. 4, pp.231–272.
- Bellou V. and Andronikidis, A. (2008), “The impact of internal service quality on customer service behaviour”, *International Journal of Quality and Reliability Management*, Vol. 25 No. 9, pp.943 – 954.
- Besieux, T., Baillien, E., Verbeke, A.L., and Euwema, M.C. (2015), “What goes around comes around: The mediation of corporate social responsibility in the relationship between transformational leadership and employee engagement”, *Economic Industrial Democracy*. DOI: 10.1177/0143831x15614914
- Bettencourt, L.A. and Brown, S.W. (1997), “Contact Employees: Relationships among Workplace Fairness, Job Satisfaction and Prosocial Service Behaviours”, *Journal of Retailing*, Vol. 73 No. 1, pp.39-61.
- Bettencourt, L.A., Gwinner, K.P., and Meuter, M.L. (2001), “A comparison of attitude, personality, and knowledge predictors of service-oriented organizational citizenship behaviours”, *Journal of Applied Psychology*, Vol. 86 No. 1, pp.29–41.
- Bliese, P. (2000). Within-group agreement, non-independence, and reliability. In K. Klein & S. Kozlowski (Eds.), *Multi-level theory, research, and methods in organizations* (pp. 349-381). San Francisco, CA: Jossey-Bass.
- Bolino, M.C., Turnley, W.H. and Bloodgood, J.M. (2002), “Citizenship Behavior and the Creation of Social Capital in Organizations”, *The Academy of Management Review*, Vol. 27 No. 4, pp.505-522.
- Bottomley, P., Mostafa, A.M.S., Gould-Williams, J.S. and Leon-Cazares, F. (2016), “The Impact of Transformational Leadership on Organizational Citizenship Behaviours: The Contingent Role of Public Service Motivation”, *British Journal of Management*, Vol. 27, pp.390–405.
- Brief, A. and Motowidlo, S. (1986), “Prosocial organizational behaviours”, *Academy of Management Review*, Vol. 11, pp.710–25.

- Brown, M. E., Treviño, L.K., and Harrison, D.A. (2005), “Ethical leadership: A social learning perspective for construct development and testing”, *Organizational Behaviour and Human Decision Processes*, Vol. 97 No. 2, pp.117–134.
- Burke, S., Stagl, K., Klein, C., Goodwin, G., Salas, E., and Halpin, S. (2006), “What type of leadership behaviours are functional in teams: A meta-analysis”, *Leadership Quarterly*, Vol. 17, pp.288–307.
- Byrne, B.M. (2010), *Structural equation modeling with AMOS: Basic concepts, applications, and programming* (2nd ed.). New York: Routledge Academy.
- Carlson, K.D., and Wu, J. (2012), “The illusion of statistical control: control variable practice in management research”, *Organizational Research Methods*, Vol. 15 No. 3, pp.413–435.
- Carmeli, A., Sheaffer, Z., Binyamin, G., Reiter-Palmon, R. and Shimoni, T. (2013), “Transformational Leadership and Creative Problem-Solving: The Mediating Role of Psychological Safety and Reflexivity”, *The Journal of Creative Behaviour*, Vol. 48 No. 2, pp.115–135.
- Chen, L., Zheng, W., Yang, B., and Bai, S. (2016), “Transformational leadership, social capital and organizational innovation”, *Leadership and Organization Development Journal*, Vol. 37 No. 7, pp. 843-859.
- Chen, T-J. and Wu, C-M . (2017) "Improving the turnover intention of tourist hotel employees: Transformational leadership, leader-member exchange, and psychological contract breach", *International Journal of Contemporary Hospitality Management*, Vol. 29 No. 7, pp.1914-1936.
- Chen, Z., Zhang, X. and Vogel, D. (2011), “Exploring the Underlying Processes between Conflict and Knowledge Sharing: A Work-Engagement Perspective”, *Journal of Applied Social Psychology*, Vol. 41 No. 5, pp.1005–1033
- Christian, M.S., Garza, A.S., and Slaughter, J.E., (2011), “Work engagement: a quantitative review and test of its relations with task and contextual performance”, *Personnel Psychology* Vol. 64 No. 1, pp.89–136.
- Chuang, A., Judge, T.A. and Liaw, Y.J. (2012), “Transformational leadership and customer service: A moderated mediation model of negative affectivity and emotion regulation”, *European Journal of Work and Organizational Psychology*, Vol. 21 No. 1, pp.28–56.

- Chuang, C-H., Chen, S-J., and Chuang, C-W. (2013), "Human resource management practices and organizational social capital: The role of industrial characteristics", *Journal of Business Research*, Vol. 66 No. 5, pp.678–687.
- Ferres, N., Connell, J., and Travaglione, A. (2004), "Co-worker trust as a social catalyst for constructive employee attitudes", *Journal of Managerial Psychology*, Vol. 19 No. 6, pp.608 – 622.
- Fornell, C., and Larcker, D.F. (1981), "Evaluating Structural Equation Models with Unobservable Variables and Measurement Error", *Journal of Marketing Research*, Vol. 18 No. 1, pp.39–50.
- Ghadi, M.Y., Fernando, M. and Caputi, P. (2013), "Transformational leadership and work engagement: The mediating effect of meaning in work", *Leadership and Organization Development Journal*, Vol. 34 No. 6, pp.532-550.
- Hayes, A.F. (2009), "Beyond Baron and Kenny: Statistical mediation analysis in the new millennium", *Communication Monographs*, Vol. 76, pp. 408–420.
- Hu, L-T. and Bentler, P. M. (1999). "Cutoff criteria for fit indexes in covariance structure analysis: Conventional criteria versus new alternatives", *Structural Equation Modeling: A Multidisciplinary Journal*, Vol. 6, pp.1-55.
- Jung, D.I. and Avolio, B.J. (2000), "Opening the Black Box: An Experimental Investigation of the Mediating Effects of Trust and Value Congruence on Transformational and Transactional Leadership", *Journal of Organizational Behaviour*, Vol. 21 No. 8, pp.949-964.
- Kahn, W.A. (1990), "Psychological conditions of personal engagement and disengagement at work", *Academy of Management Journal*, Vol. 33, pp.692–724.
- Karatepe, O.M. (2013b) "Perceptions of organizational politics and hotel employee outcomes: The mediating role of work engagement", *International Journal of Contemporary Hospitality Management*, Vol. 25 No. 1, pp.82-104.
- Karatepe, O.M., (2011), "Procedural justice, work engagement, and job outcomes: evidence from Nigeria", *Journal of Hospitality Marketing and Management*, Vol. 20 No. 8, pp.855–878.
- Karatepe, O.M., (2013a), "High-performance work practices and hotel employee performance: The mediation of work engagement", *International Journal of Hospitality Management*, Vol. 32, pp.132–140.

- Kelly, S.M. and Updegraff, J.A. (2017), "Substituting activities mediates the effect of cognitive flexibility on physical activity: a daily diary study", *Journal of Behavioural Medicine*, Vol. 40 No. 4, pp. 669-674.
- Kishton, J.M. and Widaman, K. F. (1994), "Unidimensional versus domain representative parcelling of questionnaire items: An empirical example", *Educational and Psychological Measurement*, Vol. 54 No. 3, pp.757-765.
- Kline, R.B. (2005), *Principles and Practice of Structural Equation Modeling* (2nd ed.), New York: Guilford Press.
- Kovjanic, S., Schuh, S.C. and Jonas, K. (2013), "Transformational leadership and performance: An experimental investigation of the mediating effects of basic needs satisfaction and work engagement", *Journal of Occupational and Organizational Psychology*, Vol. 86 No. 4, pp.543-555.
- Kovjanic, S., Schuh, S.C., Jonas, K., Van Quaquebeke, N., and Van Dick, R. (2012), "How Do Transformational Leaders Foster Positive Employee Outcomes? A Self-Determination Based Analysis of Employees Needs as Mediating Links", *Journal of Organizational Behavior*, Vol. 33 No. 8, pp.1031-1052.
- Landis R.S., Beal D.J., and Tesluk P.E. (2000), "A comparison of approaches to forming composite measures in structural equation models", *Organizational Research Methods*, Vol. 3, pp.186–207.
- Leana, C.R. and Van Buren, H.J. (1999), "Organizational social capital and employment practices", *Academy of Management Review*, Vol. 24 No. 3, pp.538–555.
- Leana, C.R., and Pil, F.K. (2006), "Social capital and organizational performance: Evidence from urban public schools", *Organization Science*, Vol. 17 No. 3, pp.353–366.
- Li, N., Chiaburu, D.S., Kirkman, B.L. and Xie, Z. (2013), "Spotlight on the followers: an examination of moderators of relationships between transformational leadership and subordinates citizenship and taking charge", *Personnel Psychology*, Vol. 66, pp.225–260.
- Liao, F., Yang, L., Wang, M., Drown, D. and Shi, J. (2013), "Team–Member Exchange and Work Engagement: Does Personality Make a Difference?", *Journal of Business and Psychology*, Vol. 28, pp.63–77.
- Liaw, Y-J, Chi, N-W, and Chuang, A. (2010), "Examining the Mechanisms Linking Transformational Leadership, Employee Customer Orientation, and Service Performance: The

- Mediating Roles of Perceived Supervisor and Coworker Support”, *Journal of Business and Psychology*, Vol. 25 No. 3, pp.477–492.
- Little, T.D., Cunningham, W.A., Shahar, G., and Widaman, K.F. (2002), “To parcel or not to parcel: Exploring the question, weighing the merits”, *Structural Equation Modeling*, Vol. 9 No. 2, pp.151-173.
- Little, T.D., Rhemtulla, M., Gibson, K. and Schoemann, A.M. (2013), “Why the items versus parcels controversy needn’t be one”, *Psychological Methods*, Vol. 18 No.3, pp.285–300.
- Liu, J., and Cho, S. (2018) "Interaction effect of display rules and emotional intelligence on hotel managers' and nonmanagers' work engagement", *International Journal of Contemporary Hospitality Management*, <https://doi.org/10.1108/IJCHM-02-2017-0063>.
- Liu, J., Cho, S., and Putra, E.D. (2017) "The moderating effect of self-efficacy and gender on work engagement for restaurant employees in the United States", *International Journal of Contemporary Hospitality Management*, Vol. 29 No. 1, pp.624-642.
- Lu, L., Lu, A.C.C., Gursoy, D., and Neale, N.R. (2016) "Work engagement, job satisfaction, and turnover intentions: A comparison between supervisors and line-level employees", *International Journal of Contemporary Hospitality Management*, Vol. 28 No. 4, pp.737-761.
- May, D.R., Gilson, R.L. and Harter, L.M. (2004), “The psychological conditions of meaningfulness, safety and availability and the engagement of the human spirit at work”, *Journal of Occupational and Organizational Psychology*, Vol. 77, pp.11–37.
- McCormack, R.L. (1956), “A criticism of studies comparing item-weighting methods”, *Journal of Applied Psychology*, Vol. 40, pp.343–344.
- Men, L.R. (2014), “Why leadership matters to internal communication: Linking transformational leadership, symmetrical communication, and employee outcomes”, *Journal of Public Relations Research*, Vol. 26 No. 3, pp.256-279.
- Mostafa, A.M.S. and Bottomley, P. (2018), “Self-Sacrificial Leadership and Employee Behaviours: An Examination of the Role of Organizational Social Capital”, *Journal of Business Ethics*, <https://doi.org/10.1007/s10551-018-3964-5>.
- Muthén, B. (1997), Latent variable modeling of longitudinal and multilevel data. In A. E. Raftery (Ed.), *Sociological methodology* (pp. 453-480), Washington, DC: Blackwell.

- Nahapiet, J. and Ghoshal, S. (1998), "Social capital, intellectual capital, and the organizational advantage", *Academy of Management Review*, Vol. 23 No. 2, pp.242–266.
- Parzefall, M. and Kuppelwieser, V.G. (2012), "Understanding the antecedents, the outcomes and the mediating role of social capital: An employee perspective", *Human Relations*, Vol. 65 No. 4, pp.447–472
- Pastoriza, D., Arino, M. and Ricart, J. (2008), "Ethical Managerial Behaviour as an Antecedent of Organizational Social Capital", *Journal of Business Ethics*, Vol. 78, pp.329–341
- Patiar, A. and Wang, Y. (2016) "The effects of transformational leadership and organizational commitment on hotel departmental performance", *International Journal of Contemporary Hospitality Management*, Vol. 28 No. 3, pp.586-608.
- Peccei, R. and Rosenthal, P. (2001), "Delivering Customer-Oriented Behaviour through Empowerment: An Empirical Test of HRM Assumptions", *Journal of Management Studies*, Vol. 38 No. 6, pp.833-857.
- Pimpakorn, N. and Patterson, P.G. (2010), "Customer-oriented behaviour of front-line service employees: The need to be both willing and able", *Australasian Marketing Journal*, Vol. 18, pp.57–65.
- Podsakoff, P.M., MacKenzie, S.B., and Podsakoff, N.P. (2012), "Sources of method bias in social science research and recommendations on how to control it", *Annual Review of Psychology*, Vol. 63, pp.539–569.
- Podsakoff, P.M., MacKenzie, S.B., Lee, J.-Y., and Podsakoff, N.P. (2003), "Common method biases in behavioural research: A critical review of the literature and recommended remedies", *Journal of Applied Psychology*, Vol. 5, pp.879–903.
- Podsakoff, P.M., MacKenzie, S.B., Moorman, R.H., and Fetter, R. (1990), "Transformational leader behaviours and their effects on followers trust in leader, satisfaction, and organizational citizenship behaviours", *Leadership Quarterly*, Vol. 1, pp.107–142.
- Salanova, M., and Schaufeli, W.B. (2008), "A cross-national study of work engagement as a mediator between job resources and proactive behaviour", *The International Journal of Human Resource Management*, Vol. 19, pp.111–131.
- Schaubroeck, J., Lam, S.S.K. and Cha, S.E. (2007), "Embracing Transformational Leadership: Team Values and the Impact of Leader Behaviour on Team Performance", *Journal of Applied Psychology*, Vol. 92 No. 4, pp.1020-1030.

- Schaufeli, W.B., and Bakker, A.B. (2003), Test manual for the Utrecht Work Engagement Scale. Unpublished manuscript, Utrecht University, the Netherlands. Retrieved from <http://www.schaufeli.com>
- Schaufeli, W.B., and Bakker, A.B. (2004), “Job demands, job resources, and their relationship with burnout and engagement: A multi-sample study”, *Journal of Organizational Behaviour*, Vol. 25 No. 3, pp.293–315.
- Schaufeli, W.B., Bakker, A.B., and Salanova, M. (2006), “The measurement of work engagement with a brief questionnaire: A cross-national study”, *Educational and Psychological Measurement*, Vol. 66 No. 4, pp.701–716.
- Selig, J.P., Card, N.A., and Little, T.D. (2008), Latent variable structural equation modeling in cross-cultural research: Multigroup and multilevel approaches. In F. J. R. van de Vijver, D. A. van Hemert, & Y. Poortinga (Eds.), *Individuals and cultures in multi-level analysis*. Mahwah, NJ: Erlbaum.
- Shantz, A., Alfes, K., Truss, C. and Soane, E. (2013), “The role of employee engagement in the relationship between job design and task performance, citizenship and deviant behaviours”, *The International Journal of Human Resource Management*, Vol. 24 No. 13, pp.2608-2627.
- Slåtten, T., and Mehmetoglu, M., (2011), “Antecedents and effects of engaged frontline employees: a study from the hospitality industry”, *Managing Service Quality*, Vol. 21 No. 1, 88–107.
- Spector, P.E., and Brannick, M.T. (2011), “Methodological urban legends: the misuse of statistical control variables”, *Organizational Research Methods*, Vol. 14 No. 2, pp.287–305.
- Tang, T.V. and Tang, Y.Y. (2012), “Promoting service-oriented organizational citizenship behaviors in hotels: The role of high-performance human resource practices and organizational social climates”, *International Journal of Hospitality Management*, Vol. 31 No. 3, pp.885-895.
- Teng, C., and Barrows, C.W. (2009), “Service orientation: Antecedents, outcomes, and implications for hospitality research and practice”, *Service Industries Journal*, Vol. 29 No. 10, pp.1413-1435.
- Tims, M., Bakker, A.B., and Xanthopoulou, D. (2011), “Do transformational leaders enhance their followers daily work engagement?”, *The Leadership Quarterly*, Vol. 22, pp.121–131.

- van Knippenberg, D. and Sitkin, S.B. (2013), "A Critical Assessment of Charismatic—Transformational Leadership Research: Back to the Drawing Board?", *The Academy of Management Annals*, Vol. 7 No. 1, pp.1-60.
- Williams, L.J., Vandenberg, R.J. and Edwards, J.R. (2009), "Structural Equation Modeling in Management Research: A Guide for Improved Analysis", *Academy of Management Annals*, Vol. 3 No. 1, pp.543–604.
- Yukl, G. (1998), *Leadership in organizations*. Englewood Cliffs, NJ: Prentice Hall.
- Zhu, W., Avolio, B.J., and Walumbwa, F.O. (2009), "Moderating Role of Follower Characteristics with Transformational Leadership and Follower Work Engagement", *Group and Organization Management*, Vol. 34 No. 5, pp.590-619.
- Zohar, D. and Tenne-Gazit, O. (2008), "Transformational Leadership and Group Interaction as Climate Antecedents: A Social Network Analysis", *Journal of Applied Psychology*, Vol. 93 No. 4, pp.744–757.

Table 1: Measurement Models Comparison

Model	χ^2	df	$\Delta\chi^2$	CFI	RMSEA	SRMR
1. Four-factor Model	185.877	77	-	0.930	0.079	0.049
2. Three-factor Model: combined WE and COB	589.249	82	403.372**	0.674	0.165	0.173
3. Three-factor Model: combined OSC and WE	249.013	82	63.136**	0.893	0.095	0.058
4. Two-factor Model: combined TSFL and OSC, and combined WE and COB	669.573	86	483.696**	0.625	0.173	0.176
5. One-factor Model: combined all four constructs	683.761	89	497.884**	0.618	0.171	0.123

Note: TSFL, transformational leadership; OSC, organizational social capital; WE, work engagement; COB, customer-oriented behaviours. The $\Delta\chi^2$ is in relation to model 1

** $p < 0.01$

Table 2: Descriptive Statistics, Intercorrelations and Reliability Estimates

Construct	1	2	3	4
1. Transformational Leadership	0.70, (0.79)			
2. Organizational Social Capital	0.69**	0.79, (0.83)		
3. Work Engagement	0.60**	0.78**	0.83, (0.87)	
4. Customer-oriented Behaviours	0.18*	0.27**	0.32**	0.84, (0.88)
Mean	5.40	5.33	5.15	5.53
SD	0.69	0.82	0.84	0.92

Note: Sub-diagonal entries are the latent construct inter-correlations. The first entry on the diagonal is the average variance extracted square root and the second entry (in parentheses) is the composite reliability score.

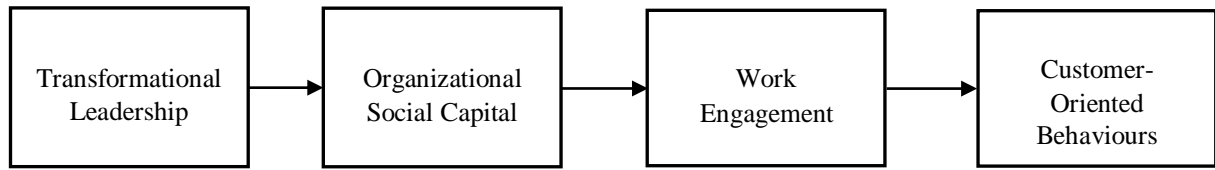
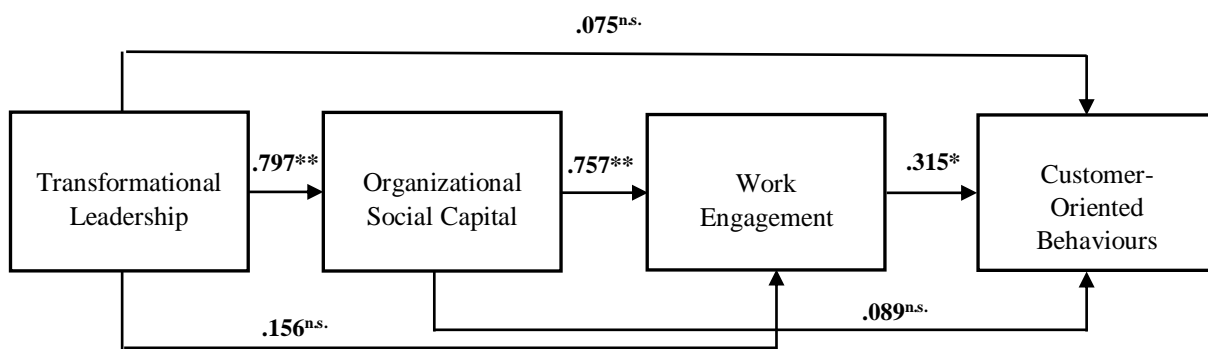


Figure 1. Conceptual model



Note: * $p < 0.05$; ** $p < 0.01$ (two-tailed)

Figure 2 Generalized Structural Model Results