

Unraveling Value Co-destruction in Tourism: A Deep Dive into the Portuguese Hotel Industry

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The state of the art presented here aims to bring theoretical contemplations about the co-destruction of value. The term “co-destruction” is now used in the hospitality service environment to describe the phenomenon in which multiple actors interact and integrate their resources to realize valuable benefits, yet their collaborations result in a decline of the well being of at least one of the participating actors. In the recent past, scholars have begun to dedicate their attention towards destructive relationships as a critical component of organizational life, facing it from various points of view, such as trust and partnering, project management, and relational coordination. The investigation was quantitative and adopted the survey method. To measure the proposed hypotheses, a unique conceptual model was developed with leadership support, supportive organizational climate, value co-destruction, and commitment to value co-creation as constructs. Data was collected from the hospitality Continental Portugal and islands, where 1,200 responses were obtained for analysis. The respondents were all hospitality employees. Key findings revealed that leadership support was commanding in comparison to the other constructs based on how high it loaded as a factor. In addition, a high perception of a supportive organizational climate among service employees will result in a low occurrence of value co-destruction in their organization. Further research direction on the subject is suggested.

Keywords: *co-destruction, co-creation, hospitality sector, employees*

Introduction

Most of service organizations and in particular in hospitality sector is understood the value creation capabilities of their guests and seek to involve them in the value creation processes in order to achieve optimal performance. While value co-creation is a goal and perhaps the intended objectives of many hospitality settings, interaction between frontline employees and their customers during service encounters may trigger misbehavior incidents which mostly results in co-destruction of value (Zikmund et al. 2013, Meyer and Schwager 2015, Rajnish et al. 2017, Mxunyelwa and Henama 2019, Cunha et al. 2021).

The composition of service-systems which include both the customers and employees at their core suggests that the interactions between employees and customers are integral in the value creation process of service firms. According to Franke et al. (2016), the effective management of a firm’s resources is precursory to the quality of value created and delivered by the organization. Thus, firms must

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effectively manage the interactions between their employees and customers to deliver cutting edge values that beat the competition (Cunha 2019a, b, Cunha et al. 2021). Although service literature seems to be thorough in their investigation of value co-creation, its antecedents and consequences (Cunha et al. 2021) have the same level of research deficit in the area of value co-destruction. The detriment impact of value co-destruction if unchecked is similar if quantified to the beneficial impact of value co-creation and must thus be given adequate attention in order to forestall its influence the overall service delivery and company's value propositions.

The findings of this research are that high perception of commitment to value co-creation will result in low occurrence of value co-destruction. Empirical results also showed that high perception of supportive organizational climate among service employees will result in low occurrence of value co-destruction in their organization. Finally, high level of leadership support of value co-creation in hotels will result in low occurrences of value co-destruction in the same establishment.

Portuguese Hotel Industry

The Portuguese hotel industry has been a vital component of the country's economy and tourism sector. Portugal is known for its rich history, stunning landscapes, and vibrant culture, making it a popular destination for both leisure and business travelers (Cunha 2019a, b, Cunha et al. 2021). In the portuguese hotel industry, as in any hospitality sector, co-destruction of value can occur through a variety of channels as it's possible to see on Table 1.

Table 1. *Co Destruction Variety of Channels*

Service Quality: If the quality of services provided by the hotel, such as cleanliness, staff behavior, or responsiveness, falls below the customer's expectations, it can result in a negative experience and diminished value.
Communication: Poor communication, misinformation, or lack of transparency can lead to misunderstandings, frustration, and dissatisfaction among guests.
Employee Behavior: Unfriendly or unhelpful staff, rude behavior, or inadequate training can contribute to customers feeling undervalued and dissatisfied.
Facility Conditions: If the hotel's facilities are not well-maintained, outdated, or not as advertised, customers may feel that they are not getting the value they expected.
Booking and Reservation Issues: Problems related to overbooking, incorrect reservations, or room allocation can lead to customer dissatisfaction and a sense of value destruction.
Hidden Costs: If customers encounter unexpected or hidden costs during their stay, it can lead to negative perceptions of value, as they may feel they are paying more than initially anticipated.
Noise and Disturbances: Factors such as noise from nearby construction, other guests, or inadequate soundproofing can negatively impact a guest's experience and perception of value.

Unmet Expectations: If a hotel's marketing and promotional materials create unrealistic expectations, customers may feel let down when these expectations are not met.
Inflexible Policies: Strict and inflexible policies related to check-in/check-out times, cancellations, or other matters can contribute to a negative experience and diminished value.
Lack of Personalization: Guests often appreciate personalized experiences. If a hotel fails to recognize individual preferences or needs, it can result in a sense of value destruction.

Source: Cunha (2019a, b), Cunha et al. (2021).

To mitigate co-destruction of value, hotels in the portuguese industry (or any other) should focus on (Table 2):

Table 2. Mitigation of Co Destruction Value

Service Excellence: Prioritize consistent and high-quality service delivery across all touchpoints.
Effective Communication: Maintain clear and transparent communication with guests, addressing their concerns promptly.
Training and Empowerment: Properly train staff to handle guest interactions and empower them to resolve issues effectively.
Facility Maintenance: Ensure that facilities are well-maintained, modern, and aligned with the guests' expectations.
Customer-Centric Approach: Tailor services to individual preferences and needs, providing a personalized experience.
Transparency in Pricing: Clearly communicate all costs associated with the stay to avoid surprises.
Flexibility: Whenever possible, offer flexibility in policies to accommodate guest needs.

Source: Cunha (2019a, b), Cunha et al. (2021).

Addressing these factors can help portuguese hotels and the wider hospitality industry reduce co-destruction of value, enhance guest satisfaction, and build stronger customer relationships (Payne and Frow 2016, Cunha 2019a, b, Cunha et al. 2021). According to the author Franke et al. (2016) there are some key points about the industry that can make the difference between co-creation and co-destruction depending on the way it is used (Table 3).

Table 3. Key Points

Tourism Growth: Portugal has experienced significant growth in tourism over the years, with increasing numbers of international tourists visiting the country. Major cities like Lisbon and Porto, as well as coastal regions like the Algarve, have been popular tourist destinations.
Diverse Accommodation: The industry offers a wide range of accommodations, from luxury hotels and boutique lodgings to budget-friendly hostels and guesthouses. This diversity caters to different types of travelers with varying preferences and budgets.
Cultural and Natural Attractions: Portugal's historic sites, picturesque landscapes, wine regions, and beaches attract tourists interested in exploring its cultural and natural offerings.

Investment and Modernization: The industry has witnessed investments in new hotel developments and renovations of existing properties. This has contributed to improved infrastructure, services, and overall guest experiences.
Online Booking Platforms: The use of online travel agencies (OTAs) and booking platforms has become prevalent, making it easier for tourists to find and reserve accommodations.
Challenges: The industry faced challenges related to seasonality, with peak tourist seasons leading to overcrowding in some popular destinations. This has prompted discussions about sustainable tourism practices.
Regulations and Sustainability: Portuguese authorities have taken steps to address overtourism and promote sustainable tourism, focusing on maintaining the cultural and environmental integrity of the country's attractions.
COVID-19 Impact: Like many other countries, the portuguese hotel industry was heavily impacted by the COVID-19 pandemic. Travel restrictions, lockdowns, and reduced travel demand resulted in decreased bookings and revenue. The industry has been working on recovery strategies as travel gradually resumes.
Local Experiences: Many hotels have been focusing on providing authentic and immersive local experiences to enhance guests' stays, including cultural activities, culinary experiences, and connections with local communities.

Source: Franke et al. (2016)

It is very importante to keep in mind that circumstances and developments in the hotel industry can change rapidly, especially in light of global events like the COVID-19 pandemic (Watjatrakul 2018).

The Importance of the Hotel Industry for Economy

The hotel industry holds significant importance in both local economies and the global tourism sector (Richards and Jones 2016, Watjatrakul 2018). In Portugal tourism is a key economic activity for the generation of wealth and employment in Portugal and the tourism data for 2022 are encouraging. In 2022, the tourism sector approached the record values of 2019 in the main indicators of overnight stays (-0.9%) and guests (-2.3%), having surpassed the values in tourism revenues (+15.4%). In Table 4 it is possible to see some key reasons why the hotel industry is considered importante.

Table 4. *Why is Tourism so Important*

Economic Contribution: The hotel industry is a major driver of economic growth and employment in many regions. It creates jobs across various sectors, including hospitality, tourism, catering, housekeeping, maintenance, and management.
Tourism Promotion: Hotels play a crucial role in attracting tourists to destinations. They provide accommodations for travelers, making it possible for people to explore new places, experience different cultures, and contribute to the local economy.
Revenue Generation: Hotels generate substantial revenue for local economies through room rates, dining services, event hosting, and other facilities. This revenue circulates through the economy, benefiting businesses in various sectors.
Infrastructure Development: The need for hotels often drives infrastructure development, including transportation, roads, utilities, and communication systems. These improvements benefit both tourists and residents.
Cultural and Social Exchange: Hotels provide a space for cultural exchange and interaction between travelers from diverse backgrounds. This fosters understanding, tolerance, and appreciation for different cultures.
Business and Conferences: Hotels serve as venues for business meetings, conferences, and events. This promotes business networking, knowledge exchange, and collaboration among professionals.
Revitalization of Areas: Hotel developments can revitalize neighborhoods or areas that were previously underutilized. They bring increased foot traffic, stimulate local businesses, and contribute to urban renewal.
Employment Opportunities: The hotel industry offers a wide range of employment opportunities, from entry-level positions to specialized roles, providing job options for people with varying skill sets and education levels.
Tourism Industry Support: Hotels support other sectors within the tourism industry, including transportation, attractions, restaurants, and entertainment. These interdependencies contribute to a vibrant tourism ecosystem.
Promotion of Local Culture and Heritage: Many hotels strive to incorporate local culture, traditions, and architecture into their design and services. This promotes the preservation of heritage and showcases local craftsmanship.
Sustainability and Innovation: As environmental concerns grow, hotels are increasingly adopting sustainable practices and technologies, driving innovation in energy efficiency, waste reduction, and eco-friendly operations.
Revenue for Local Government: Taxes generated by hotels contribute to local and regional government revenues, which can be reinvested into public services, infrastructure, and community development.

Source: Watjatrakul (2018).

Overall, the hotel industry plays a multifaceted role in supporting economic growth, fostering cultural exchange, and providing essential services for travelers. It has a significant impact on local economies, job creation, and the broader tourism sector, making it a vital component of many regions' development strategies (Richards and Jones 2016, Watjatrakul 2018).

Co-destruction of Value

In the recent past, scholars have begun to dedicate their time and attention towards destructive relationships as a critical component of organizational life, approaching it from various points of view, such as trust and partnering (Watjatrakul 2018) project management (Payne and Frow 2016), and relational coordination (Cunha et al. 2021). Co-destruction of value, also known as "value co-destruction," refers to a phenomenon in which the value that a customer or stakeholder expects to gain from a product, service, or interaction is diminished or even destroyed due to various factors or interactions (Cunha et al. 2021).

Interactive efforts between service providers and their consumers often result in value creation or at the very least value proposition with the objective of value creation. However, it is seldom that these interactions result in negative outcomes (Payne and Frow 2016, Cunha 2019a, b, Cunha et al. 2021). According to the authors Gagnon and Roh (2016) in essence, value co-destruction is the negative outcome of a failed system interaction process (Leigh and Tanner 2014). It can be related to areas such as organizational incompetency (Rahimi and Kozak 2017), lack of adequate resource- human and material (Payne and Frow 2016, Cunha 2019a, b, Cunha et al. 2021), inadequate communication or lack of information (Gagnon and Roh 2016) between others.

The consequences of value co-destruction range from manageable decline in well-being to more severe loss of reputation and assets such as revenue (Rahimi and Kozak 2017). A failed process may also result in lack of trust in future dealings and engagements thereby quenching the potentials for future value co-creation initiatives (Lin and Wu 2011, Payne and Frow 2016, Cunha 2019a, b).

Dominant Service Logic

Dominant Service Logic (DSL) is a concept in marketing and service management that represents a shift in perspective from a goods-centered approach to a service-centered approach. It emphasizes the primacy of services in the economy and the way value is co-created through interactions between service providers and customers (Leigh and Tanner 2014, Richards and Jones 2016, Gagnon and Roh 2016, Cunha et al. 2021). This concept contrasts with the traditional goods-dominant logic (GDL), which focused on the exchange of tangible products (Rahimi and Kozak 2017). There are some key principles at this point as we can see on Table 5.

Table 5. *Key Principles of the Dominant Service Logic*

Value Co-Creation: DSL recognizes that value is not inherent in products or services themselves, but rather it is co-created through interactions between customers and service providers. Customers actively participate in shaping their experiences and the value they receive.
Intangibility: Services are inherently intangible compared to physical goods. DSL acknowledges the importance of intangibility and emphasizes creating and delivering intangible experiences that meet customer needs and preferences.
Customer-Centric Approach: DSL places the customer at the center of value creation. Businesses need to understand customer needs, preferences, and behaviors to tailor their offerings and interactions accordingly.
Relationship Building: DSL emphasizes building long-term relationships with customers. Value is created not just in individual transactions but in ongoing interactions and collaborations.
Dynamic and contextual: Value is dynamic and contextual, meaning that it can change based on the specific situation, customer, and circumstances. DSL encourages flexibility in adapting services to match the unique needs of each customer.
Innovation and Co-Innovation: Since value is co-created, DSL encourages both service providers and customers to engage in innovation together. This can lead to the development of new services, features, and experiences.
Networks and Collaboration: DSL acknowledges that value creation often involves various stakeholders, including suppliers, partners, and even customers. It emphasizes the importance of collaboration and networks in delivering value.
Resource Integration: DSL focuses on the integration of resources from both the provider and the customer. This includes not only physical resources but also knowledge, skills, and capabilities.

Source: Cunha et al. 2021.

The concept of Dominant Service Logic has gained prominence as the economy has shifted toward service-based industries and as businesses recognize the increasing role of customer experience and interaction in creating value. It encourages businesses to rethink their strategies, marketing approaches, and customer engagement methods to align with the principles of value co-creation and customer-centricity (Meyer and Schwager 2015, Richards and Jones 2016, Watjatrakul 2018).

Support for Leadership and Co-destruction of Values

Support for leadership and co-destruction of values would involve understanding how effective leadership can help mitigate or address the negative consequences of value co-destruction in various contexts, such as business, organizations, and customer relationships (Schmitt 2014, Richards and Jones 2016, Watjatrakul 2018). Effective leadership plays a crucial role in identifying and addressing factors that contribute to co-destruction of value, there by fostering positive outcomes and maintaining trust and satisfaction. According to Zhao et al. (2019) leadership can support these efforts as we can see on Table 6.

Table 6. *Leadership Support*

Communication and Transparency: Leaders can promote open and transparent communication within their teams and with customers. Clear communication helps manage expectations, prevent misunderstandings, and address issues proactively.
Empowerment and Decision-Making: Empowering employees with decision-making authority can facilitate quicker issue resolution and improved customer experiences. When employees have the autonomy to address problems, customers are more likely to receive timely and satisfactory solutions.
Training and Development: Effective leadership involves providing ongoing training and development opportunities for employees. Well-trained staff are better equipped to handle challenging situations, reduce errors, and enhance customer satisfaction.
Customer-Centric Culture: Leaders can establish a customer-centric culture within the organization. This encourages employees to prioritize customer needs and focus on delivering value
Problem-Solving and Innovation: Strong leadership encourages a culture of problem-solving and innovation. Leaders can motivate teams to identify root causes of value co-destruction and develop creative solutions.
Conflict Resolution: Leaders should be skilled in resolving conflicts, both within the organization and with customers. Addressing conflicts promptly and effectively can prevent value co-destruction from escalating.
Continuous Improvement: Leaders should emphasize a culture of continuous improvement. This involves consistently seeking feedback, evaluating processes, and making necessary changes to enhance value creation and prevent co-destruction.
Ethical Contemplations: Ethical leadership is essential in maintaining trust and avoiding value co-destruction caused by unethical practices. Leaders should set ethical standards and ensure they are upheld throughout the organization.
Empathy and Understanding: Leaders who demonstrate empathy and understanding toward customers and employees can contribute to more positive interactions. This can reduce the likelihood of value co-destruction due to negative emotions or misunderstandings.
Adaptability and Resilience: Effective leaders are adaptable and resilient. They are capable of responding to changing circumstances and unforeseen challenges, helping to prevent or mitigate value co-destruction.

Source: Zhao et al. (2019).

In summary, effective leadership plays a crucial role in addressing and preventing the co-destruction of value. By fostering a customer-centric, innovative, and proactive organizational culture, leaders, can reduce negative experiences, enhance value creation, and build stronger relationships with stakeholders (Schmitt 2014, Richards and Jones 2016, Watjatrakul 2018).

Favorable Organizational Climate and Co-destruction of Values

A favorable organizational climate refers to the overall atmosphere, attitudes, and working conditions within an organization that contribute to a positive and productive work environment (Table 7). It encompasses various factors that shape employees' experiences, interactions, and perceptions of their workplace (Robert-

Lombard and Du Plessis 2012, Tanner et al. 2015, Richards and Jones 2016). A positive organizational climate is essential for promoting employee well-being, job satisfaction, and overall organizational success.

Service experience is a total package of the service ambience, service product and service delivery. Service-dominant Logic (S-D logic), as a paradigm and reaction against Goods-dominant logic, highlights the role of intangible resources (e.g., skills and knowledge) and interactions to create value (Cunha 2019a, b). This logic emphasises on the fact that the customer can become a co-creator of value (Cunha et al. 2021). Value co-creation is the process during which consumers take an active role and co-create value together with the company (Cunha et al. 2021). It is concluded value co-creation helps to achieve competitive advantages (Payne and Frow 2013) and fulfil personalised demands (Cunha 2019a, b). Companies and customers receive mutual benefits of value co-creation.

Company related benefits are lower prices, faster speed; brand awareness, idea generation marketing insight, cost savings; effectiveness, efficiency and increased complexity. Customer-related advantages are enhanced operating efficiencies, greater service value; the ability to fulfil personal needs and interests; fit with consumer needs, relationship building, engagement and satisfaction (Zikmund et al. 2013, Meyer and Schwager 2015, Rajnish et al. 2017, Gagnon and Roh 2016, Mxunyelwa and Henama 2019). Cunha (2019a, b) indicates customer participation in co-creation activities results in increased interest in the company and reduced communication and new product development costs. In service-dominant logic, the inherent tendency of value co-creation is assumed as a result of the interactions between the parts.

Ganesan-Lim et al. (2015) and Meyer and Schwager (2015) mention that both the upside and the downside of interactive value formation should be considered. They go on to convey that value co-destruction, like value co-creation, can occur when providers and customers have interactions indicate that customer engagement in value creation may be positive or negative.

Table 7. Favorable Organizational Climate Key Points

Open Communication: Effective communication channels that encourage the free flow of information and ideas between employees and management. This includes active listening, feedback mechanisms, and transparent sharing of information.
Respect and Inclusion: A culture that values diversity and treats all employees with respect and fairness, regardless of their background, identity, or position within the organization.
Collaboration and Teamwork: A focus on collaboration and teamwork, where employees are encouraged to work together, share knowledge, and collectively achieve goals.
Empowerment and Autonomy: Empowering employees to take ownership of their work, make decisions, and contribute their unique skills and expertise to the organization's success.
Employee Development: Providing opportunities for skill development, training, and career growth to enhance employees' capabilities and job satisfaction.
Recognition and Rewards: Acknowledging and rewarding employees' contributions and achievements to boost motivation and job engagement.

Flexibility and Work-Life Balance: Offering flexible work arrangements and promoting a healthy work-life balance to support employees' well-being and reduce burnout.
Positive Leadership: Leadership that serves as a positive role model, sets clear expectations, provides guidance, and fosters an environment of trust and support.
Emphasis on Well-Being: Prioritizing employee well-being through wellness programs, mental health support, and initiatives that promote a healthy work environment.
Adaptability: Being open to change and adapting to new challenges and opportunities to ensure the organization remains competitive and relevant.
Clarity of Goals and Expectations: Clearly defining organizational goals and individual roles and responsibilities to align employees' efforts with the company's objectives.
Conflict Resolution: Providing effective mechanisms for resolving conflicts and addressing grievances in a fair and timely manner.
Safe and Inclusive Environment: Creating a physically and emotionally safe environment where employees can express their ideas, concerns, and feedback without fear of retribution.
Ethical Standards: Promoting ethical behavior and integrity throughout the organization, from leadership to employees at all levels.
Positive Relationships: Fostering positive relationships among colleagues, supervisors, and team members to create a supportive and harmonious atmosphere.

Source: Cunha et al. (2021).

A favorable organizational climate contributes to higher employee moral, increased productivity, lower turnover rates, and improved overall organizational performance. It plays a crucial role in attracting and retaining top talent and creating a workplace culture that aligns with the organization's values and goals (Read 2011, Robert-Lombard and Du Plessis 2012, Tanner et al. 2015, Richards and Jones 2016).

Commitment to Co-creation

Commitment to co-creation refers to an organization's dedication and active engagement in the process of collaboratively creating value with its customers, partners, and stakeholders (Ganesan-Lim et al. 2015, Tanner et al. 2015, Payne and Frow 2016, Stein and Ramaseshan 2016). Co-creation involves involving various stakeholders in the development, design, and improvement of products, services, and experiences. Organizations that are committed to co-creation recognize the importance of involving external perspectives and insights to enhance the value they deliver. Table 8 shows how commitment to co-creation can be demonstrated.

Table 8. *Demonstration of Co-creation Commitment*

Openness to Input: Organizations that are committed to co-creation actively seek input, ideas, and feedback from customers, employees, partners, and other stakeholders. They encourage these stakeholders to share their insights to drive innovation and improvement.
Inclusive Decision-Making: They involve stakeholders in decision-making processes, valuing their input and insights when shaping strategies, products, and services.
Collaborative Platforms: Organizations committed to co-creation provide platforms or channels for stakeholders to contribute their ideas, opinions, and suggestions. These platforms can be digital (such as online forums or social media) or physical (such as workshops or focus groups).
Iterative Development: They embrace an iterative approach, continuously refining and adapting products and services based on ongoing collaboration and feedback from stakeholders.
Customization and Personalization: Co-creation-committed organizations prioritize customization and personalization to meet individual customer needs and preferences, allowing customers to play an active role in tailoring their experiences.
Empowerment of Employees: These organizations empower their employees to engage in co-creation efforts. Employees are encouraged to generate ideas, propose improvements, and engage with customers to create value.
Feedback Loops: They establish feedback loops to ensure that insights from stakeholders are integrated into the organization's processes, fostering a continuous cycle of improvement.
Diverse Stakeholder Engagement: Organizations committed to co-creation engage a diverse range of stakeholders, recognizing that multiple perspectives lead to richer, more innovative solutions.
Transparency and Trust: They build trust with stakeholders by being transparent about intentions, involving them in the co-creation process, and honoring their contributions.
Learning Orientation: A commitment to co-creation reflects a learning-oriented mindset. Organizations are willing to learn from stakeholders, adapt to changing needs, and leverage external expertise.
Value Alignment: They ensure that co-creation efforts align with the organization's values, mission, and long-term goals, maintaining a consistent brand identity and customer experience.
Celebrating Contributions: Organizations committed to co-creation celebrate and acknowledge the contributions of stakeholders, reinforcing the idea that value creation is a collaborative effort.

Source: Stein and Ramaseshan (2016).

By actively involving stakeholders in co-creation, organizations can create more relevant and meaningful offerings, build stronger relationships, enhance customer loyalty, and foster innovation. Commitment to co-creation reflects a dedication to embracing change, valuing external perspectives, and remaining agile in a rapidly evolving business landscape (Zikmund et al. 2013, Meyer and Schwager 2015, Rajnish et al. 2017, Mxunyelwa and Henama 2019).

Moderating Role of Employee Assignment Style

The moderating role of employee assignment style refers to how the manner in which employees are assigned tasks or responsibilities can influence the relationship between two variables. In the context of organizational dynamics, employee assignment style can impact how certain factors interact and affect outcomes (Lin and Wu 2011, Payne and Frow 2016, Cunha e Santos, 2019).

The set of theoretical frameworks that underpins attribution theory were built on the assumption that everyone is a “naïve psychologist” who has been wired to always make sense of their encounters (Lemon and Verhoef 2016, Cunha 2019a, b). Particularly when they are faced with disappointing situations or experiences (Lin and Wu 2011, Payne and Frow 2016).

Attribution styles are justly established propensities of ascribing cause across a variation of circumstances (Viet and Nguyen 2019). Therefore, attribution styles can be considered as an individual’s trait-like tendencies to make specific forms of attributions (Park and Kim 2013). It can also be viewed as degree of an individual’s bias in attributing cause to events (Gagnon and Roh 2016).

Table 9. *Moderating Role of Employee Assignment Style*

<p>Employee Engagement (Main Variable): Employee engagement refers to the emotional commitment and level of involvement employees have toward their work and the organization.</p>

<p>Task Assignment Style (Moderating Variable): Task assignment style refers to how tasks, projects, or responsibilities are assigned to employees. It can range from a highly structured approach where tasks are assigned rigidly, to a more autonomous approach where employees have more freedom to choose their tasks.</p>
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Source: Viet and Nguyen (2019).

The moderating role of employee assignment style comes into play when examining how different styles of task assignment affect the relationship between employee engagement and other factors, such a job satisfaction or performance:

1. **Structured Assignment Style:** In an organization with a highly structured assignment style, where tasks are assigned by managers based on specific roles and responsibilities, the impact of employee engagement on job satisfaction might be less pronounced. This is because employees have less autonomy in choosing tasks, and their satisfaction might be more influenced by factors other than engagement.
2. **Autonomous Assignment Style:** In contrast, in an organization with an autonomous assignment style, where employees have more control over the tasks they work on, high levels of employee engagement might lead to significantly increased job satisfaction. The sense of autonomy and ownership over tasks could contribute to higher satisfaction levels.

Essentially, the employee assignment style moderates how employee engagement affects other outcomes, depending on the level of autonomy employees have in choosing or being assigned tasks. Organizations can consider

the following when understanding and leveraging the moderating role of employee assignment style (Park and Kim 2013, Gagnon and Roh 2016).

Customization: Organizations should consider tailoring task assignment styles based on the desired outcomes. For instance, more autonomous assignment might be suitable for tasks that require creativity and innovation.

Flexibility: Offering a mix of structured and autonomous task assignment can provide a balance that meets the needs and preferences of different employees and types of tasks.

Employee Voice: Providing employees with some choice in their task assignments can enhance their sense of ownership and engagement (Viet and Nguyen 2019).

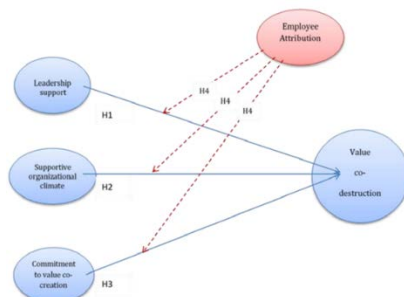
Communication: Clear communication of task assignment styles, expectations, and goals is crucial to avoid misunderstandings and misalignment.

Remember that the moderating role of employee assignment style is context-specific and can vary based on the organization's culture, the nature of tasks, and the preferences of employees. Organizations should be flexible and open to adjusting assignment styles to achieve desired outcomes and maintain a positive organizational climate (Lemon and Verhoef 2016, Cunha 2019a, b).

Methodology

A model was developed based on the insights gathered from the literature review, as depicted in Figure 1. This model is designed to serve the research objective, which is to gain a comprehensive understanding of the factors contributing to value co-destruction. The conceptual framework for this study suggests that leadership support, a supportive organizational climate, and the occurrence of value co-destruction are predictive factors influencing commitment to value co-creation, which serves as the ultimate outcome variable. The synthesis of relevant literature related to these research variables led to the formulation of the conceptual model, as presented in Figure 1, to serve as a guiding framework for the empirical investigation.

Figure 1. Research Model



Hypotheses Statements

Based on the preceding discussion, the following hypotheses can be formulated:

H1: There is a relationship between leadership support and commitment to value co-creation.

H2: A relationship exists between a supportive organizational climate and commitment to value co-creation.

H3: There is a relationship between value co-destruction and commitment to value co-creation.

Empirical Analysis

This research aligns with the positivist paradigm, as it seeks to empirically test predefined hypotheses to establish relationships between independent and dependent variables. The researchers opted for a quantitative research approach to enhance precision through robust statistical analysis. This approach not only facilitated the collection of crucial data related to leadership support, a supportive organizational climate, value co-destruction, and commitment to value co-creation but also allowed for the investigation of causal relationships among these constructs.

The research employed a quantitative methodology and utilized a survey-based data collection method. Given the absence of an easily accessible sampling frame, a convenience sampling technique was applied. The selection of hotels deliberately avoided specific star ratings to prevent any undue limitations on the sample size. Data was gathered through an online questionnaire, with participants identified as individuals employed in hotels within Portugal, resulting in a total of 1200 responses.

Measurement variables for leadership support, a supportive organizational climate, value co-destruction, and commitment to value co-creation were adapted from well-established variables used in previous research. Necessary adjustments were made to ensure their suitability for the current research context. The scale for assessing a supportive organizational climate consisted of eight items and was adapted from Hayat and Afshari (2020). Leadership support was sourced from Iqbal et al. (2014), and the concept of commitment to value co-creation was based on Järvi et al. (2018). Value co-destruction was adapted from Järvi et al. (2018). All measurement items employed a five-point Likert scale, ranging from "strongly disagree" (1) to "strongly agree" (5).

The collected data were meticulously recorded in a Microsoft Excel spreadsheet following the screening of returned questionnaires. Data analysis involved descriptive statistics, Cronbach's alpha values, correlations, and was carried out using the Statistical Package for Social Sciences (SPSS version 27.0). The psychometric properties of the measurement scales and hypotheses were tested using the Analysis of Moment Structures (AMOS version 27.0) statistical software.

Ethical considerations were a top priority in this research investigation. Participation was entirely voluntary and was conducted in an anonymous manner. No personally identifiable information was gathered, and participants were fully informed about the research before providing their consent to complete the questionnaire. No incentives were offered to participants, and they were free to withdraw from the study at any point.

Results and Discussion

The sample's demographics have been analyzed, taking into account various characteristics. The results indicate that 56% (678) of the participants are male, while 44% (522) are female.

Table 10 illustrates the distribution of workers within the sample. It reveals that 54% of the workers are in full-time positions, while 46% hold part-time jobs.

Regarding participants' monthly income, 33.0% (408 individuals) earn between 500-1,500 euros, 52.5% (626 individuals) fall within the income range of 1,501-4,000 euros, and 13.5% (168 individuals) earn 4,001 euros or more.

Table 10. Demographic Results

Monthly	Income	Frequency	Percent
Full time		636	54%
Part time		564	46%
Total		1200	100%
Gender	Frequency	Percent	
Male	678	56%	
Female	522	44%	
Total	1200	100%	
Monthly Income	Frequency	Percent	
500-1500 euro	408	33%	
1501-4000 euro	626	52.5%	
4001 euro and above	168	13.5%	
Total	1200	100%	

Own source

Research Findings

The results section centers on three key components: confirmatory factor analysis (CFA), hypothesis testing conducted via structural equation modeling (SEM), and subsequent discussions. CFA is a specialized form of factor analysis employed to assess the congruence between a construct's measurements and the inherent nature of that construct. Meanwhile, SEM is utilized to scrutinize the relationships between latent (unobservable) variables, encompassing both dependent and independent constructs (Bagozzi and Yi 2012).

To ascertain the psychometric properties of the measurement scales, a CFA was conducted, which involved evaluating the constructs' reliability, validity, and model fit. The findings from this CFA evaluation are presented in Table 11.

Table 11. Measurement Scales for Psychometric Properties

Research constructs	Mean Value	SD	Cronbach's test		CR	AVE	Factor loadings	
			Item total	alpha				
LS	LS1	4.728	1.314	0.665	0.930	0.945	0.775	0.810
	LS2	4.630	1.224	0.712				0.900
	LS3	4.454	1.375	0.743				0.899
	LS4	4.719	1.460	0.787				0.914
	LS5	4.702	1.547	0.717				0.874
SOC	SOC1	4.476	1.576	0.549	0.850	0.860	0.430	0.603
	SOC2	4.456	1.654	0.675				0.610
	SOC3	4.613	1.794	0.688				0.700
	SOC4	4.564	1.876	0.754				0.736
	SOC5	5.547	1.880	0.746				0.633
	SOC6	5.249	1.870	0.751				0.590
	SOC7	5.542	1.893	0.753				0.728
	SOC8	5.705	1.970	0.783				0.649
VC	VC1	3.928	1.477	0.672	0.890	0.830	0.500	0.874
	VC2	3.713	1.593	0.688				0.838
	VC3	4.195	1.425	0.697				0.543
	VC4	4.978	1.563	0.701				0.679
	VC5	5.083	1.305	0.725				0.514
CVC	CVC1	5.582	1.163	0.716	0.960	0.740	0.420	0.619
	CVC2	5.748	1.075	0.755				0.790
	CVC3	5.630	1.328	0.752				0.562
	CVC4	5.456	1.143	0.799				0.605

Note: LS = Leadership support, SOC=supportive organizational climate, VC=value co-destruction, CVC=commitment value co-creation, SD=Standard Deviation, AVE=Average variance extracted, CR=Composite reliability.

As per Cunha et al. (2021), Cronbach's alpha coefficient serves as a measure of internal consistency or reliability for a set of survey items. This statistic assists in evaluating whether a group of items consistently measures the same underlying characteristic. Cronbach's alpha quantifies the level of agreement on a standardized scale ranging from 0 to 1. Higher values signify greater agreement among the items.

A score of 0 implies no correlation between the items; they are entirely independent. Knowing the response to one question provides no information about the responses to other questions. On the other hand, a score of 1 signifies perfect correlation, where knowing the value of one response offers complete information about all other items. Typically, analysts consider a Cronbach's alpha value of 0.7 as a benchmark. Values around 0.7 are considered minimally acceptable, though not ideal.

The results presented in Table 13 reveal Cronbach's Alpha values for each research variable: LS (Leadership Support) = 0.930, SOC (Supportive Organizational Climate) = 0.850, VC (Value Co-destruction) = 0.890, and CVC (Commitment to Value Co-creation) = 0.960. These Cronbach's Alpha scores indicate that each construct demonstrates robust internal reliability (Lee 2009). Table 13 shows the loading of each item on their construct. The results indicate that all the measurement instruments are acceptable and reliable, since all the individual items converged well and with more than 50% of each item's variance shared with its respective construct (Fraering and Minor 2006). Composite reliabilities (CR) and average variance extracted (AVE) for each construct were also computed using the formulae proposed by Fornell and Larcker (1981, p. 22), that is:

$$CR\eta = [(\sum\lambda_{yi})^2 / [(\sum\lambda_{yi})^2 + (\sum\epsilon_i)]]$$

Where $CR\eta$ = Composite reliability, $(\sum\lambda_{yi})^2$ = Square of the summation of the factor loadings; $(\sum\epsilon_i)$ = Summation of error variances:

$$V\eta = \sum\lambda_{yi}^2 / (\sum\lambda_{yi}^2 + \sum\epsilon_i)$$

Where $V\eta$ = Average Variance Extracted (AVE); $\sum\lambda_{yi}^2$ = Summation of the squared of factor loadings; $\sum\epsilon_i$ = Summation of error variances.

CR and AVE for each construct were also computed and assessed to determine if they met the required thresholds for reliability and validity. As per the results shown in Table 5, the lowest CR value (0.720) is well above the recommended 0.6 (Hulland 1999), while the lowest obtained AVE value (0.420) is above the recommended 0.4 (Anderson and Gerbing 1988). This indicates that convergent validity was achieved, further confirming excellent internal consistency and reliability of the measurement instruments used. By and large, these results provided evidence for acceptable levels of research scale reliability (Chinomona and Chinomona 2013). According to Field (2013) discriminant validity refers to items measuring different concept. Table 4 presents the results of the discriminant validity analysis. As depicted in Table 12 all the correlation coefficients of this investigation fell below 0.70, thereby confirming the theoretical uniqueness of each variable in this research (Field 2013).

Table 12. Correlation Matrix

Variables	LS	SOC	VC	CVC
LS	1	--	--	--
SOC	0.518**	1	--	--
VC	0.233**	0.358**	1	--
CVC	0.594**	0.656**	0.498**	1

Note: LS = Leadership support, SOC = supportive organizational climate, VC = value co-destruction, CVC = commitment value co-creation

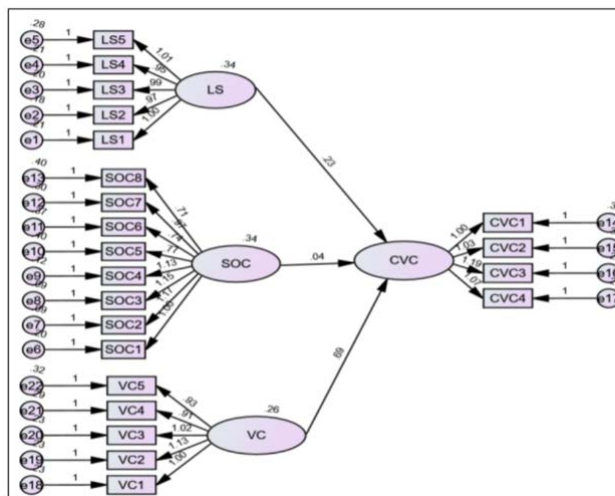
According to the authors Anderson and Gerbing (1988), model fit analysis is a process that assesses how well the model represents the data. In this investigation, model fit was tested by using the following indices: Chi-square/degrees of freedom, comparative fit index (CFI), incremental fit index (IFI), Tucker-Lewis index (TLI), normative fit index (NFI), goodness of fit (GFI) and random measure of standard error approximation (RMSEA). The acceptable thresholds should be equal to or higher than 0.90 for CFI, IFI, RFI, NFI, GFI and AGFI. For Chi-square/degrees of freedom a ratio of 3:1 or less is recommended and RMSEA value should be equal to or less than 0.08 (Lysons and Farrington 2012). The general model fit indices for both the CFA and SEM models are presented in Table 13.

Table 13. Model Fit Indices for Both the CFA and SEM Models

Fit indices	Acceptable fit indices	CFA	SEM
		(measurement model)	(structural model)
Chi-square/degree of freedom (df)	<3.0	1.639	1.956
Incremental fit index (IFI)	> 0.90	0.967	0.951
Lucker-Lewis index (LLI)	> 0.90	0.901	0.937
Comparative fit index (CFI)	> 0.90	0.963	0.967
Normative fit index (NFI)	> 0.90	0.921	0.945
Goodness of fit (GFI)	> 0.90	0.914	0.955
Root mean square error of approximation (RMSEA)	< 0.08	0.045	0.053

Note: CFA=confirmatory factor analysis; SEM=structural equation modelling

Figure 2. Structural Model



Note: Key: Leadership support, supportive organizational climate, commitment value co-creation, value co-destruction.

Table 14 shows the findings of the hypotheses. It is observed that all three hypotheses tested were supported. However, of the three hypotheses only one was not significant.

Table 14. Hypotheses Results

Relationship	Hypotheses	P-value	Estimate	Outcome
LS to CVC	H1	***	0.23	Supported and significant
SOC to CVC	H2	0.07	0.04	Supported but not significant
VC to CVC	H3	***	0.69	Supported and significant

Note: Key: LS: Leadership support, SOC: supportive organizational climate, CVC: commitment value co-creation, VC: value co-destruction, Level of significance p<0

Hypothesis 1 (H1), which explores the relationship between leadership support and commitment to value co-creation, was both substantiated and demonstrated significance at the $p < 0.05$ level, as indicated by *** and an estimate of 0.23. This finding signifies a meaningful connection between leadership support and the commitment to value co-creation. Essentially, the influence of leadership support on commitment to value co-creation is as substantial as the extent to which employees attribute these qualities to their leaders. When an employee attributes

organizational failures to leadership, it's likely that they perceive value co-destruction in the organization as primarily a leadership issue, especially in comparison to those with low attribution styles (Cunha et al. 2021).

Hypothesis 2 (H2), concerning the link between a supportive organizational climate and commitment to value co-creation, received support with an estimate of 0.04. However, this relationship did not achieve statistical significance at $p < 0.05$, as the p-value was 0.07, surpassing the requisite 0.05 threshold for significance. Notably, this was the weakest of all hypotheses tested, aligning with findings by Akroush et al. (2011). A supportive organizational climate and commitment to value co-creation are believed to foster desirable psychological qualities in employees, such as resilience, hope, and optimism, enabling them to rebound swiftly from setbacks, like encountering an unsatisfactory idea or providing ineffective assistance to other team members, as elucidated by Gagnon and Roh (2016).

Hypothesis 3 (H3), addressing the relationship between value co-destruction and commitment to value co-creation, was supported and exhibited significance at the $p < 0.05$ level, denoted by *** and an estimate of 0.69. This denotes a robust and meaningful association between value co-destruction and commitment to value co-creation, making it the most potent among all hypotheses tested. High levels of commitment to value co-creation are linked to a reduced incidence of value co-destruction. The authors recognize that for consumers, a key element in creating a memorable service experience lies in the service provider's dedication of resources toward crafting an exceptional experience (McLauchlin 2011). Gagnon and Roh (2016) argue that the value co-creation process often hinges on the allocation of resources by the organization. Pimonratanakan (2019) posits that resource commitment nurtures a strategic relationship perspective, signifying a willingness to invest resources in the business strategy (Frawley 2014). Consequently, specialized knowledge and process activities are cultivated (Faed and Forbes 2011).

Conclusion

This study makes a valuable contribution to our understanding of leadership support, supportive organizational climate, commitment to value co-creation, and value co-destruction within the hospitality sector. The findings highlight that value co-destruction significantly impacts commitment to value co-creation in the hospitality sector, while the role of a supportive organizational climate appears to be less influential.

Our investigation delved into the factors at the organizational level that influence value co-destruction in the hospitality sector of Continental Portugal and its islands. We empirically examined the impact of leadership support, supportive organizational climate, and value co-destruction on commitment to value co-creation. Notably, the study revealed that value co-destruction wields a substantial influence on commitment to value co-creation within the hospitality sector, with value co-destruction being the most potent factor. In contrast, the impact of a

supportive organizational climate on commitment to value co-creation was found to be relatively weaker.

Nonetheless, there are certain limitations to this research. Firstly, from a practical perspective, the study adopted a quantitative approach, constraining participants' ability to provide nuanced feedback due to their confinement to a Likert scale. Consequently, valuable information might have been left unexplored. To address this, future research could consider employing a qualitative approach involving in-depth interviews to gather more detailed insights from hotel employees regarding their perceptions and experiences in the hospitality sector. Additionally, it is advisable to expand the sample's geographic diversity, encompassing a broader spectrum of locations, to mitigate potential participant bias introduced by the study's narrow focus on a single city.

On a conceptual note, there is room for enhancement in the conceptual model. Unexplored hypotheses could be tested to further enrich the discussion. This entails investigating the relationships between value co-destruction and a supportive organizational climate, as well as between a supportive organizational climate and leadership support. Furthermore, it is worthwhile to consider introducing additional constructs into the existing model or applying the same model and constructs to a different sector to assess whether the results can be replicated.

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