



Exploring the Precursors of Value Co-Destruction in the Hotel Industry

BY

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Abstract

The presented literature review has the objective of exploring the theoretical aspects related to the concept of value destruction, particularly within the context of the hotel industry in Portugal. Value co-destruction can manifest due to various factors and circumstances in this industry, such as economic downturns, political instability, and shifts in consumer preferences.

To mitigate the erosion of value in the hotel industry, proprietors and managers must remain vigilant regarding market trends, invest in maintenance, deliver high-quality services, employ effective marketing strategies, and adapt to changes in consumer preferences and the evolving business landscape.

The term "value destruction" is a relatively recent addition to academic literature, referring to the process by which service systems interact, ultimately resulting in a reduction in the well-being of at least one of the involved systems, whether on an individual or organizational level, taking into account the nature of the service system.

The concept of value co-creation has gained substantial recognition in scholarly discussions, notably through the works of authors like Zikmund et al. (2013), Meyer & Schwager (2015), Rajnish et al. (2017), and Mxunyelwa e Henama (2019), among others. These scholars emphasize the growing importance of a shift in the role of customers, who are now more informed in their decision-making processes. The emergence of the new dominant logic of services (LSD) underscores a change in perspective, highlighting that value creation for customers is now focused not only on production but primarily on fostering and nurturing customer relationships.

Utilizing a quantitative research approach to examine attitudes, intentions, and behaviors, data was gathered via a questionnaire (following the methods outlined by Burns & Bush, 2006, and Günther, 2006). The sample employed for this study consisted only of portuguese participants.

Keywords: Co destruction, relations, hospitality, services.



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Introduction

Many service organizations, particularly in the hospitality sector, recognize the importance of involving their guests in the process of creating value to achieve peak performance. While the goal in these settings is often to co-create value with customers, interactions between frontline employees and guests can sometimes lead to disruptive incidents that harm the value-creation process (Zikmund et al. 2013, Meyer & Schwager 2015, Rajnish et al. 2017, Mxunyelwa e Henama 2019, Cunha et al. 2021).

Service systems, which revolve around both customers and employees, emphasize the integral role of these interactions in

the value-creation process of service-oriented businesses. Franke et al. (2016) highlight that effective resource management within a company is crucial for the quality of value produced and delivered. Therefore, businesses must proficiently manage employee-customer interactions to deliver innovative value propositions that outperform competitors (Cunha 2019, Cunha et al. 2021).

Although the service literature extensively investigates value co-creation, the antecedents, and consequences of value co-destruction have received far less attention (Cunha et al. 2021). The harmful effects of unchecked value co-destruction can be as significant as the positive impact of value co-creation. As a result, addressing value co-destruction is



essential to prevent it from negatively influencing overall service delivery and a company's value propositions.

The research findings suggest that a strong commitment to value co-creation is linked to a reduced occurrence of value co-destruction. Empirical evidence also indicates that a supportive organizational climate perceived by service employees corresponds to a lower incidence of value co-destruction within the organization. Furthermore, when hotels receive substantial leadership support for value co-creation, it results in fewer instances of value co-destruction in the same establishment.

Portuguese hotel industry

The Portuguese hotel industry plays a pivotal role in the nation's economy and thriving tourism sector. Renowned for its rich history, breathtaking landscapes, and vibrant culture, Portugal attracts a diverse array of leisure and business travelers (Franke et al., 2016).

Table 1: key insights about this sector

Tourism Growth: Portugal has witnessed remarkable growth in its tourism industry, drawing an increasing number of international visitors over the years. Major cities like Lisbon and Porto, along with coastal regions such as the Algarve, have emerged as popular tourist destinations.

Diverse Accommodation: The industry offers a wide spectrum of accommodations, spanning from luxury hotels and boutique lodgings to budget-friendly hostels and guesthouses. This diversity caters to the varied preferences and budgets of travelers.

Cultural and Natural Attractions: Portugal's wealth of historic sites, picturesque landscapes, wine regions, and beaches make it an enticing destination for tourists eager to explore its cultural and natural treasures.

Investment and Modernization: The sector has seen substantial investments in new hotel developments and the rejuvenation of existing properties. This infusion of capital has led to enhanced infrastructure, services, and overall guest experiences.

Online Booking Platforms: The prevalence of online travel agencies (OTAs) and booking platforms has simplified the process of finding and reserving accommodations for tourists.

Challenges: The industry faces challenges associated with seasonality, with peak tourist seasons sometimes resulting in overcrowding at favored destinations. This has sparked discussions about sustainable tourism practices.

Regulations and Sustainability: Portuguese authorities have taken measures to address issues of over-tourism and promote sustainable tourism, with a focus on preserving the cultural and environmental authenticity of the nation's attractions.

COVID-19 Impact: Similar to many countries, the Portuguese hotel industry bore the brunt of the COVID-19 pandemic. Travel restrictions, lockdowns, and reduced travel demand translated into decreased bookings and revenue. The sector is diligently working on recovery strategies as travel gradually resumes.

Local Experiences: Many hotels are concentrating on offering authentic and immersive local experiences to enrich guests' stays. These experiences encompass cultural activities, culinary adventures, and connections with local communities.

Own source

It is essential to bear in mind that circumstances and developments within the hotel industry can evolve rapidly, particularly in the wake of global events such as the COVID-19 pandemic (Watjatrakul, 2018).

The importance of the hotel industry for the economy

The hotel industry holds a position of paramount importance in the economies of both local regions and the global tourism sector (Marianna et al., 2015; Richards & Jones, 2016; Watjatrakul, 2018).

Table 2: Several compelling reasons underpin its significance

Economic Contribution: The hotel industry serves as a major catalyst for economic growth and employment, spanning diverse sectors such as hospitality, tourism, catering, housekeeping, maintenance, and management.

Tourism Promotion: Hotels are pivotal in drawing tourists to destinations by providing accommodations, enabling travelers to explore new places, partake in distinct cultures, and bolster the local economy.

Revenue Generation: Hotels generate substantial revenue for local economies through room rates, dining services, event hosting, and various facilities. This revenue permeates the economy, benefiting businesses across different sectors.

Infrastructure Development: The demand for hotels often drives infrastructure development, encompassing transportation, roads, utilities, and communication systems. These enhancements are advantageous for both tourists and residents.

Cultural and Social Exchange: Hotels facilitate cultural exchange and interaction among travelers from diverse backgrounds, fostering understanding, tolerance, and appreciation for different cultures.

Business and Conferences: Hotels serve as venues for business meetings, conferences, and events, promoting business networking, knowledge exchange, and collaboration among professionals.

Revitalization of Areas: Hotel developments can rejuvenate previously underutilized neighborhoods or areas, drawing increased foot traffic, stimulating local businesses, and contributing to urban renewal.

Employment Opportunities: The hotel industry offers a broad spectrum of employment opportunities, ranging from entry-level positions to specialized roles, catering to individuals with varying skill sets and educational backgrounds.

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 integrate local culture, traditions, and architecture into their design and services. This promotes the preservation of heritage and showcases local craftsmanship.

Sustainability and Innovation: In response to environmental concerns, hotels are increasingly adopting sustainable practices and technologies, propelling innovations 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.

Own source

In summary, the hotel industry fulfills a multifaceted role in supporting economic growth, facilitating cultural exchange, and providing essential services for travelers. Its substantial impact on local economies, job creation, and the broader tourism sector renders it a pivotal component of the development strategies for many regions (Marianna et al., 2015; Richards & Jones, 2016; Watjatrakul, 2018).

Co-destruction of value

Value co-destruction, often referred to as "co-destruction of value," represents a phenomenon in which the anticipated value a customer or stakeholder expects to derive from a product, service, or interaction is diminished or even nullified due to a range of factors or interactions. It occurs when the experience, interaction, or outcome falls short of the individual's expectations, leading to discontent, unfavorable perceptions, and potentially detrimental effects on the overall relationship between the customer and the provider (Lin and Wu, 2011).

Co-destruction of value can manifest in various contexts, including business transactions, customer service interactions, product usage, and more. It frequently involves a disparity between what was promised or expected and what was actually delivered or experienced. This divergence can result in a loss of trust, diminished customer loyalty, and a negative impact on the provider's reputation.

For instance, in the context of a hotel stay, co-destruction of value might occur when a guest's expectations regarding cleanliness, customer service, and amenities are not met. This could lead the guest to feel that the value they anticipated from their stay has been compromised due to issues such as unclean rooms, unresponsive staff, or other adverse experiences.

Addressing co-destruction of value is imperative for businesses aiming to uphold positive customer relationships, maintain brand reputation, and achieve overall success. It entails comprehending customer expectations, consistently delivering on commitments, providing exceptional customer experiences, and promptly addressing any issues that arise to prevent the erosion of value (Lin and Wu, 2011; Payne, 2016; Watjatrakul, 2018).

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 & Tanner, 2014, Gagnon, Roh, 2016). This concept contrasts with the traditional goods-dominant logic (GDL), which focuses on the exchange of tangible products (Rahimi & Kozak, 2017).

Table 3: Key principles of the Dominant Service Logic include

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.

Own source

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 e Schwager, 2015).

Thus, the researcher examined the impact of an organization's supportive climate, commitment to value creation, and leadership support in value co-destruction, and also the moderating role of employee attribution style in the relationship in the study (Marianna et al, 2015 Richards & 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 & Jones, 2016; Watjatrakul, 2018)... Effective leadership plays a crucial role in identifying and addressing factors that contribute to co-destruction of value, thereby fostering positive outcomes and maintaining trust and satisfaction.

Table 4: how leadership can support these efforts

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 Considerations

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.

Own source

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 & 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. It encompasses various factors that shape employees' experiences, interactions, and perceptions of their workplace (Robert e Du, 2012; Tanner et al. 2015; Richards & Jones, 2016). A positive organizational climate is essential for promoting employee well-being, job satisfaction, and overall organizational success.

Table 5: key characteristics of a favorable organizational climate

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.

Own source

A favorable organizational climate contributes to higher employee morale, 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 e Du, 2012; Tanner et al. 2015; Richards & Jones, 2016).

Value Co-destruction

The concept of value destruction is a relatively recent addition to the literature. Within the context of the hotel industry, value co-destruction describes a phenomenon in which the value perceived by a customer from a service or product is diminished or entirely eradicated due to a variety of factors, often stemming from interactions between the customer and the service provider. This can result in negative experiences, customer discontent, and ultimately lead to a decrease in customer loyalty and damage to the business's reputation (Payne, 2016; Cunha, 2019).

In the portuguese hotel industry, as in the broader hospitality sector, value co-destruction can manifest through various avenues.

Table 6: Value co-destruction

Service Quality: When the quality of hotel services, including cleanliness, staff behavior, or responsiveness, falls below customer expectations, it can result in a negative experience and reduced perceived value.

Communication: Poor communication, misinformation, or a lack of transparency can lead to misunderstandings, frustration, and guest dissatisfaction.

Employee Behavior: Unfriendly or unhelpful staff, rude behavior, or insufficient training can contribute to customers feeling undervalued and dissatisfied.

Facility Conditions: If the hotel's facilities are poorly maintained, outdated, or not as advertised, customers may feel they are not receiving 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: Unexpected or hidden costs during a guest's stay can lead to negative perceptions of value, as guests may feel they are paying more than initially anticipated.

Noise and Disturbances: Factors like 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 regarding check-in/check-out times, cancellations, or other matters can contribute to a negative experience and reduced 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.

To mitigate value co-destruction, hotels in the Portuguese industry (or elsewhere) should focus on the following strategies:

Service Excellence: Prioritize consistent and high-quality service delivery across all customer 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 guests' expectations.

Customer-Centric Approach: Tailor services to individual preferences and needs, providing a personalized guest experience.

Transparency in Pricing: Clearly communicate all costs associated with the stay to avoid surprises.

Flexibility: When feasible, offer flexibility in policies to accommodate guest needs.

Own source

By addressing these factors, portuguese hotels and the broader hospitality industry can reduce value co-destruction, enhance guest satisfaction, and cultivate stronger customer relationships (Payne, 2016; Cunha, 2019).

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; Thanner et al. 2015; Payne, 2016; Stein & 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 7: How commitment to co-creation can be demonstrated

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.

Own source

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 & Schwager, 2015; Rajnish et al, 2017, Mxunyelwa e 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 & Wu, 2011; Payne, 2016; Cunha e Santos, 2019).

Example Scenario: Employee Engagement and Task Assignment Style

Let's consider the example of employee engagement and how it might be influenced by different task assignment styles.

Table 8: how the moderating role of employee assignment style might work

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

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.

Moderating Role: 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 as job satisfaction or performance:



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.

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.

Own source

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.

Table 9: Considerations for Organizations

Organizations can consider the following when understanding and leveraging the moderating role of employee assignment style:

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 & Nguyen, 2019)

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

Source: Park & Kim (2013); Gagnon & Roh (2016).

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 & Verhoef, 2016; Cunha, 2019)

Methodology

This section of the study will encompass the various methodologies employed to execute the research, including research design, data collection tools, and data analysis techniques, as well as methods for data sampling.

Cunha (2019) defines research design as the foundational blueprint established at the outset of an investigation, serving as a guiding framework throughout the research process. Several frameworks can be considered when designing a research project, such as explorative research, which is

valuable for acquainting oneself with perceptions and subjects through tools like reviewing existing literature, and descriptive research, which is used to analyze the attributes of specific groups, predict and estimate behaviors within these groups, and examine relationships between variables.

The selection of a research design should align with the objectives and aims of the research investigation (Gagnon & Roh, 2016; Cunha & Santos, 2019). In the context of this study, the primary focus is on investigating organizational-level antecedents of value co-destruction in the hospitality industry. To fulfill the objectives of this research, a descriptive research design will be adopted. Additionally, an explorative research design has been employed to provide background information and context for the overall investigation, given the constraints of time and available financial resources. Research can incorporate both qualitative and quantitative methodologies. Quantitative research involves gathering and analyzing data, including the examination and calculation of occurrences and the presentation of statistical assessments of numerical data (Cunha, 2019).

Given the research objective, which aims to evaluate the phenomenon, relationships, and variances between variables, a quantitative research approach was deemed most appropriate. Data collection in quantitative research can take various forms, such as surveys, experiments, and tracking. However, the questionnaire is a widely accepted and popular tool for data collection in quantitative research across business, marketing, and social science studies. This thesis study also adopted the questionnaire as the primary instrument to collect responses from the sampled respondents.

The study focuses on customers in the hospitality industry in Portugal, as they constitute the research population. Employing a simple random sampling method, all customers have an equal chance of being selected for participation in the research.

Empirical analysis

The primary objective of this analysis is to scrutinize the data acquired through the questionnaire instruments. Subsequently, the data was compiled and entered into the SPSS database. This section entails an examination of the participants' demographic characteristics and a descriptive analysis of their responses, based on the Likert scale measurement.

At this stage, the researcher introduces the Research Model, which encompasses the hypotheses and the central variable: Value co-destruction.

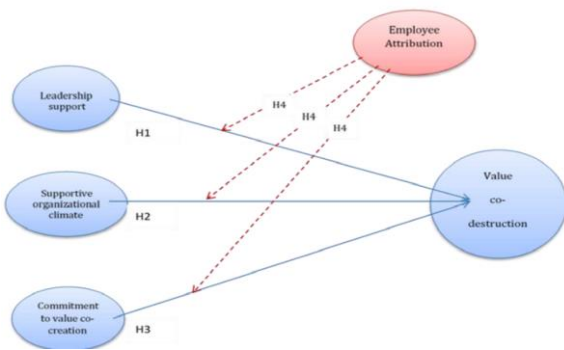


Image 1 – Research Model

Own source

An analysis of the sample's demographics has been conducted, taking into account various characteristics. The results indicate that 56% of the participants are male, while 45% are female. When considering age distribution, 13% fall within the 20-26 years age group, 40% in the 27-33 age group, and 48% are 34 years and above. Regarding monthly income, 33% of participants earn between 500-1500 euros, 53% earn between 1501-4000 euros, and 14% earn 4001 euros and above.

For assessing the reliability and consistency of the questionnaire scale, the Cronbach's alpha coefficient, recommended by Cunha (2014), was utilized. Cronbach's alpha measures the extent of interrelationships among items in a questionnaire set and evaluates the internal stability of the instrument. In this study, Cronbach's alpha was also employed by the researcher to appraise the instrument's internal consistency.

The findings from the scale examination for the instrument utilized in this study surpass the 0.8 threshold, aligning with Cunha's (2019) standards, which are considered favorable for research.

Hypothesis

In examining the **initial hypothesis**, it is essential to acknowledge that a robust endorsement of value co-creation by leadership in hotels is associated with a diminished prevalence of value co-destruction within the same establishment. Essentially, the impact of leadership support, dedication to value co-creation, and a conducive organizational climate on value co-destruction is equally as substantial as the attributions made by employees. When an employee attributes organizational shortcomings to leadership, they are more inclined to regard value co-destruction as an issue related to leadership, rather than attributing it to alternative factors. This rationale extends to the other hypothesized connections as well.

Hypothesis 2 has received comprehensive confirmation through empirical findings, demonstrating that a heightened perception of a supportive organizational climate among service employees corresponds to a reduced incidence of value co-destruction within their organization. It's noteworthy that a supportive climate has been proven to have a positive influence on employees' feelings of value and respect. This, in

turn, augments their resilience, hope, optimism, and other favorable psychological attributes, enabling individuals to swiftly recover from setbacks, such as encountering an unsatisfactory idea or providing ineffective assistance to fellow team members. These individuals are more likely to exhibit increased resilience in the face of challenges because they are not subjected to blame or a reduction in permissions, but can instead maintain their focus on aiding others, as observed by Gagnon and Roh (2016). Consequently, when instances of value co-destruction arise, employees who perceive a supportive organizational climate tend to be more optimistic about learning from these failures, thus paving the way for value co-creation.

Hypothesis 3 is corroborated by the findings. A heightened perception of commitment to value co-creation correlates with a reduced occurrence of value co-destruction. In the realm of consumer experiences, a pivotal aspect in achieving a memorable service encounter is the service provider's dedication of resources to crafting a delightful experience. The value co-creation process frequently emerges from the resources provided by the organization. The commitment of resources fosters a strategic orientation, signifying a willingness to invest resources in the business strategy. Consequently, it leads to the development of specialized knowledge and process activities. These advancements in knowledge and processes contribute to enhanced value creation and co-creation, as both the essential resources and expertise required for effective co-creation endeavors are readily available, effectively mitigating instances of value co-destruction.

When considering **Hypothesis 4**, it becomes evident that the attribution styles of service employees will moderate the relationship between (a) leadership support, (b) a supportive organizational climate, (c) commitment to value co-creation, and value co-destruction. Employees with a high attribution rate are prone to perceive more pronounced effects compared to their counterparts with lower attribution rates. Empirical findings indicate that attribution style can be consistently measured and predicts behavior. Consequently, similar experiences or actions are interpreted with notable disparities due to variations in individual attribution styles. For example, an optimistic employee is more inclined to attribute organizational successes to internal factors, while a pessimistic one is more likely to attribute failures to systemic issues.

Conclusion

This study uncovers that organizational-level factors contributing to value co-destruction in the hospitality industry are associated with various variables, including leadership support, the presence of a supportive organizational climate, commitment to value co-creation, and recognition of value co-destruction. Employees with a higher attribution rate tend to be more perceptive to these factors compared to those with lower attribution rates. Furthermore, the findings indicate that a strong commitment to value co-creation is linked to a decreased occurrence of value co-destruction.

Empirical results also demonstrate that service employees who perceive a supportive organizational climate are less likely to encounter instances of value co-destruction in their workplace. Additionally, robust leadership support for value co-creation in hotels is correlated with a lower occurrence of value co-destruction, contributing to long-term sustainability.

It is recommended that researchers delve further into the organizational-level factors influencing value co-destruction within the hospitality industry. Given that research in this area is still in its early stages, there are numerous aspects of this construct that could be explored in future research endeavors, thus providing substantial contributions to the field.

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