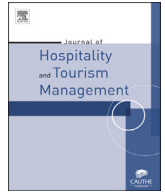




Contents lists available at ScienceDirect

Journal of Hospitality and Tourism Management

journal homepage: <http://www.journals.elsevier.com/journal-of-hospitality-and-tourism-management>

Task and contextual performance as reactions of hotel staff to labor outsourcing: The role of procedural justice[☆]

Pablo Zoghbi-Manrique-de-Lara^{a, *}, Jyh-Ming Ting-Ding^b^a University of Las Palmas de Gran Canaria, Campus de Tafira, Edificio Departamental de CC Económicas y Empresariales, Desk C.2.18, 35014 Las Palmas de Gran Canaria, Gran Canaria, The Canary Islands, Spain^b University of Las Palmas de Gran Canaria, Campus de Tafira, Edificio Departamental de CC Económicas y Empresariales, Desk C.2.13, 35014 Las Palmas de Gran Canaria, Gran Canaria, The Canary Islands, Spain

ARTICLE INFO

Article history:

Received 21 March 2017

Received in revised form

28 July 2017

Accepted 12 September 2017

Keywords:

Outsourcing

Hotel industry

Procedural justice

Outsourcing of labor

Task performance

Contextual performance

ABSTRACT

The purpose of this study is to examine the role that procedural justice (PJ) and job satisfaction play in increasing employees' performance in a context of labor outsourcing in the hospitality industry. Because organizational procedures are the methods routinely used by in-house staff to handle their job activities in the hotel outsourcing context, the paper hypothesizes that when procedures are fairly implemented, they encourage staff satisfaction with their jobs. In turn, this job satisfaction is expected to lead house employees to participate in individual-level task and contextual activities. Data obtained from 215 internal hotel employees working side by side with outsourced peers were analyzed. The results found that the perception of procedural justice (PJ) was significantly related to the increase in task and contextual performance, and to job satisfaction as a full mediator. Significant support for mediation was weaker in the case of task performance. Findings advise hotel managers to pay explicit attention to procedures used in outsourcing, discussing them with the affected parties to ensure that it is fairly implemented procedurally.

© 2017 The Authors.

1. Introduction

Outsourcing of labor in the hospitality industry is a common and beneficial operational strategy where external employees are transferred from entities outside the hotel and generally work closely with internal staff (e.g., Kakabadse & Kakabadse, 2000; Lamminmaki, 2011). As these entities outside the hotel are usually the employers of these external staff, the outsourcing of labor allows hotels to depend only functionally on external staff, thus achieving savings in costs and avoiding liability (Ansley, 2000; Deans, 2001; Domberger, 1998; Hayward, 2002; Simke, 2000; Syvret, 2001).

Hospitality research has pointed to a number of strategies that

are able to positively affect the effective functioning of labor outsourcing. They include increasing trust and cooperation in the hotel outsourcing environment (Chen & Hsieh, 2013; Lamminmaki, 2011; Ring & Van de Ven, 1992; Yap & Webber, 2015), supporting employees in times of change to maintain their morale (e.g., Brooks, 2006; Gonzalez, Gasco, & Llopis, 2010), minimizing clashes between corporate cultures or mini-cultures in departments or the entire hotel organization (Langfield-Smith & Smith, 2001; Zoghbi-Manrique-de-Lara & Ting-Ding, 2016), and reinforcing control over outsourcing processes (Langfield-Smith & Smith, 2003), among others. Abundant prior work has found that justice-based strategies are critical in influencing employees' positive attitudes and behaviors within organizations (Aryee, Chen, & Budhwar, 2004; Brebels, De Cremer, & Van Dijke, 2014; Cohen-Charash & Spector, 2001; Wu & Chaturvedi, 2009). Surprisingly, however, the influence of justice-based strategies on the effective functioning of the outsourcing of labor has been studied only anecdotally. A rare exception is the study by Zoghbi-Manrique-de-Lara and Ting-Ding (2017), which examined the reactions of internal staff to organizational justice in the context of hotel outsourcing. However, these studied reactions consisted of mere initiatives of support and ratings of hotel outsourcing, without addressing the key question of

[☆] The authors declare that this paper has not been published elsewhere and that it has not been submitted simultaneously for publication elsewhere. We take on the responsibility for obtaining permission to reproduce copyrighted material from other sources and are required to sign an agreement for the transfer of copyright to the publisher.

* Corresponding author.

E-mail addresses: pablo.zoghbi@ulpgc.es (P. Zoghbi-Manrique-de-Lara), jyhming.ting@ulpgc.es (J.-M. Ting-Ding).

whether organizational justice in hotel outsourcing leads staff to increase their performance. Even from an interorganizational perspective, previous studies examining a link between fairness and performance in outsourcing hotels are almost nonexistent (Espino-Rodríguez, Chun-Lai, & Gil-Padilla, 2017; Griffith, Harvey, & Lusch, 2006; Luo, 2007). Rooted in equity theory by Adams (1963), organizational justice describes the employees' perception of the fairness of the treatment they receive from the organization, and it has three dimensions: distributive justice (DJ), procedural justice (PJ), and interactional justice (IJ).

In the context of outsourcing, events are likely to occur that may be perceived as acts of (in)justice. Judgments of internal employees about the weak position of external employees (Brooks, 2006; Gonzalez, Gasco, & Llopis, 2005) or the feeling that outsourcing violates the psychological contract because it benefits external entities (Amiti & Wei, 2005), among others, are common events that may cause a sense of inequity in outsourcing environments. Because in hospitality operations human assets are more physical and predominant and carefully coordinated and implemented, the procedures used in outsourcing appear to be critical in determining how the contexts of outsourcing hotels are evaluated (Gupta & Polonsky, 2014). Consequently, procedural justice (PJ) in hotels is particularly the kind of perception of justice that seems to be in the best position to properly inspire the building of a fair outsourcing strategy. This study, therefore, focuses on procedural justice (PJ) as part of its thesis. Procedural justice (PJ) consists of judgments about the fairness of the procedures used to determine the final allocation of resources and rewards (Loi, Lam, & Chan, 2012). According to the unitarism theory of Alan Fox (1966) and the theory of social identity (Tajfel & Turner, 1986; Tyler & Lind, 1992), we argue that in-house hotel employees who do not perceive procedural justice (PJ) in the context of outsourcing may feel distant from the organization (Tajfel & Turner, 1986; Tyler & Lind, 1992) and see the workplace as unsatisfactory enough to actually decrease their individual performance (Edwards & Kudret, 2017; Özduran & Tanova, 2017). Therefore, we hypothesize that by properly regulating this complex social workplace, procedural justice (PJ) in hotel outsourcing can lead internal staff to increase task and contextual performance. In addition, because house employees (rather than outsourced) appear to have the right and opportunity to be involved in decision making about outsourcing processes and, therefore, are more likely targets of procedural justice (PJ), the house staff will be the actors studied in this paper.

In summary, using structural equation modeling (SEM), this article has as the main objective of verifying whether there are positive connections between the house staff's perceptions of procedural justice (PJ) in the context of hotel outsourcing and their task and contextual performance. Second, it examines whether procedural justice (PJ) is also related to job satisfaction. Third, if support is found for these predictions, this work will be able to examine whether job satisfaction plays a mediating role that explains why procedural justice (hereinafter, PJ) in outsourcing leads staff to increase their task and contextual performance. Finally, we discuss the implications of the findings of this study.

2. Literature review

2.1. Task performance and contextual performance

The way the technical core of the organization is supported (e.g., the key process of turning guests into satisfied customers in hotels) led Borman and Motowidlo (1993) to divide staff job performance into task and contextual performance. Task performance (in-role behavior, to apply the Van Dyne, Cummings, & Parks, 1995 terminology) is "the effectiveness with which job incumbents perform

activities that contribute to the organization's technical core either directly by implementing a part of its technological process, or indirectly by providing it with needed materials or services" (Borman & Motowidlo, 1997, p. 99). Task performance might include hotel staff behaviors of adequately completing assigned duties, fulfilling responsibilities specified in the job description, undertaking tasks expected of the employee, and meeting formal job performance requirements, among others. Contextual performance, on the other hand, does not fall specifically within the hotel staff's assigned activity, but it is also a very important part of their job performance. By engaging in contextual performance, the staff can also support the technical core, but they do so through the technological, social, and psychological environment of the hotel. Examples of contextual performance include, 'offering ideas to improve the functioning of the hotel' or 'taking action to protect the hotel from potential problems.'

Originally, Dennis Organ (1988) defined organizational behavior citizenship (OCB) as voluntary and discretionary individual behavior that is expected to promote overall organizational effectiveness. However, in 1997, in coherence with Borman and Motowidlo's (1993) concept of contextual performance, Organ (1997:95) changed his definition to say that organizational behavior citizenship (OCB) is "performance that supports the social and psychological environment in which task performance takes place." Although Organ (1997) asserted that contextual performance and organizational behavior citizenship (OCB) resemble one another, he noted that, unlike OCB, contextual performance does not have to be extra-role behavior or non-rewarded. Currently, OCB and contextual performance are used interchangeably (Motowidlo, 2000). OCB can be a measure of contextual performance, and it has by far received the most attention in the hospitality industry (see for a review, Ravichandran, Gilmore, & Strohbehn, 2007). As the hotel is ultimately responsible for PJ in outsourcing, the contextual activity we consider in this paper is organizational citizenship behavior targeting the organization (OCB-O); that is, citizenship behavior directed at the hotel as a whole (OCB-O). OCB-O refers to aspects of the contextual performance that are more related to helping the hotel directly, such as "persisting with enthusiasm and extra effort as necessary to complete own task activities successfully; volunteering to carry out task activities that are not formally part of own job; following organizational rules and procedures; and endorsing, supporting and defending organizational objectives" (Borman & Motowidlo, 1997, p. 102).

2.2. Procedural justice (PJ) perceptions in outsourcing and individual performance

Although some prior empirical research has found a relationship between PJ perceptions and employee performance (Colquitt et al., 2013; for a review), the way this link performs in the hotel outsourcing context remains unexplored. As support for this linkage, this paper invokes the unitarism theory, which stems from the work of industrial sociologist Alan Fox (1966). Based on Fox (1966), it can be assumed that all the members of a hotel basically have compatible objectives, the same purpose, and a single (unitary) interest.

This study emphasizes the lack of PJ in outsourcing as a way to produce discrepancies in the context of the outsourcing hotel. Because PJ can be perceived by staff as unethical, if outsourcing hotels seem incongruous in ethical terms, the argument is that staff will feel distant from this unethical outsourcing, and their feelings of unity with the company will break (Fox, 1966). By contrast, we argue that favorable PJ perceptions in outsourcing would form a sense of unity with members of the hotel management (Fox, 1966). Because PJ is easily seen as being attached to the organization, it is

Download English Version:

<https://daneshyari.com/en/article/7420403>

Download Persian Version:

<https://daneshyari.com/article/7420403>

[Daneshyari.com](https://daneshyari.com)