# Dimensions of behavior and proactive improvement in hotel outsourcing relationships: The role of justice

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## Abstract

This study shows the role of justice as a success factor in hotel outsourcing relationships. More specifically, it investigates the associations between two different dimensions of justice (procedural and distributive) and attitudes and behaviors in the relationship with suppliers, in terms of trust, cooperation, and long-term orientation. The work also analyzes to what degree these behavioral elements influence suppliers' proactive improvement, and whether cooperation mediates these relationships. The study provides a unique perspective on this dynamic and the results of the relationships between suppliers and hotels. The results establish that the perception of distributive justice has a positive influence on the long-term orientation of the outsourcing relationship, whereas the perception of procedural justice negatively influences the long-term orientation. The research findings provide evidence about the influence of procedural and distributive justice on trust in the outsourcing relationships, and that trust has a positive impact on cooperation and a long-term orientation. The results show that the long-term orientation and trust do not directly influence proactive improvement, but there is an indirect effect through cooperation.

**Keywords:** outsourcing, procedural justice, distributive justice, long-term orientation, trust, cooperation, proactive improvement.

#### Introduction

A large number of hotels have outsourced many of the operations they need to provide their services. Most of the outsourced activities involve room cleaning, information systems, leisure activities, food and beverages, laundry, maintenance, or marketing and sales, among others (Espino-Rodríguez and Chun-Lai 2014). Although no specific studies have been found that analyze the outsourcing relationship in the hotel sector, the analysis of interorganizational outsourcing relationships has increased, focusing on the attitude and behavior attributes of service suppliers that can be success factors in the relationship and in cooperation (Donada and Nogatchewsky 2009; Jamil and Aryaty 2010; Leeman and Reynolds 2012; Handley and Benton 2012). However, other aspects, such as justice in interorganizational outsourcing relationships, have not been taken into account. Organizational justice is defined as the individual perception of fairness in the actions or decisions carried out by an organization and the behavioral reaction to this perception (James 1993; Aryee et al. 2002). Justice is perceived as subjective, and it has been recognized as a fundamental aspect in both interorganizational and intraorganizational relations (Luo 2007). However, the research on the role of justice in improving the result of buyer-supplier relations is scarce (Griffith et al. 2006; Narasimhan et al. 2009). This topic has been studied in disciplines such as psychology (Konovsky and Cropanzano 1991; Konovsky 2000; Becker et al. 2014; Rana and Rastogi 2015), logistics and relations between buyers and suppliers (Tian et al. 2008; Hofer et al. 2009; Wallenburg 2009; Narasimhan et al., 2009; Chen et al. 2010; Hartmann and De Grahl, 2011; Liu et al. 2012; Hofer et al., 2012), or marketing (Brown et al. 2006).

Justice is a key factor in increasing satisfaction, reducing conflicts, and increasing the performance of agreements between buyers and sellers (Brown et al. 2006; Griffith et al. 2006). Nevertheless, it has not been studied as a determinant in improving relations with service suppliers of hotel establishments, and so it is necessary to bridge this gap in the literature on hotel management. Improvements in the relations between hotel establishments and their suppliers stem from working together and establishing strategies that benefit the entire relationship rather than each party individually. To do so, it is necessary to establish a climate of trust and cooperation, which is an accessible scenario if the partners have a common understanding of the way they should behave in the relationship and believe that the results have to be shared to be fair (Jambulingam et al. 2009). Thus, the need arises to investigate the impact of justice on interorganizational relationships in general, and hotel outsourcing relationships in particular.

With the aim of contributing to this line of research, this study examines the role of justice as a success factor from the perspective of the establishments. More specifically, it investigates how two different justice dimensions (procedural and distributive) are associated with the attitudes and behaviors in the relationship with suppliers, in terms of trust, cooperation, and long-term orientation. Likewise, it explores how these behavioral elements influence the supplier's proactive improvement. Procedural justice refers to the perception of justice in the procedures used to make decisions about the distribution

of results and benefits (Colquitt et al. 2001; Choi 2011), whereas distributive justice refers to the perception of justice in the distribution of the resources and benefits (Colquitt et al. 2001; Ramaswami and Singh 2003).

The results of our study contribute to the academic literature in various ways. The first contribution is that the study provides a unique perspective about the dynamic and results of relationships between suppliers and hotels, presenting an empirical analysis of the effects of the attitudes and behaviors of establishments and their suppliers. The second contribution highlights the importance of focusing on proactive improvement as a key result of procedural and distributive justice for the maintenance of the relationship, turning it into a lasting, stable, and strategic partnership (Beverland et al. 2007; Wallenburg 2009, Hofer et al. 2012). Specifically, some of the results of procedural and distributive justice are usually identified as reinforcement of trust (DeConinck 2010), an increase in satisfaction (Brown et al. 2006), improved performance (Griffith et al. 2006), and the reduction in worker turnover (DeConinck and Johnson, 2009).

The proactive improvement approach has great relevance in the outsourcing of services and activities in the hotel industry. The supplier must be capable of adapting the activity to the characteristics and needs of the hotel, or even make specific investments (Lui et al. 2009; DeVita et al. 2010). Although most establishments define their outsourcing relationships as successful, studies like the one by Langley (2010) show the growing concern about suppliers' lack of innovation, which means that establishments do not receive improvements in their operative efficacy.

This study proposes that the cooperative behavior of an establishment could be strongly influenced by its perception of fairness in the policies and distribution of results adopted by the supply company (procedural and retributive justice). The key concept in this study is that an establishment's perception of justice of its supplier plays a fundamental role in the collaborative behavior of the hotel. This collaborative behavior can help the supplier to be more proactive and, therefore, improve its relationship with the establishment.

The results of this paper can be summarized in the following way:

- a) Analyze how the perception of justice influences elements of the behavior in the outsourcing relationships, such as trust and a long-term orientation.
- b) Analyze the impact of the behavioral elements of the outsourcing relationships on the suppliers' proactive improvement.

#### Procedural and distributive justice

Procedural justice, introduced by Thibaut and Walker (1975), points out that people are often concerned with fairness in the process and consider the procedures to be fair if they control the processes. Procedural justice refers to the perception of justice in the procedures used to make decisions about the distribution of results and benefits (Colquitt et al. 2001; Choi 2011). In other words, procedural justice mainly refers to how an allocation decision about outcomes is made, without paying as much attention to the actual distribution of the outcomes.

People are not only concerned with the results of the decisions, but also the processes or policies that lead to these results (Korsgaard et al. 1995). In this regard, if the processes that lead to certain decisions are perceived as fair, individuals are less likely to question the results. The levels of perception of justice related to control topics and processes are used to evaluate the legitimacy of an exchange relationship (Kashyap et al. 2008; Dwyer et al. 1987; Lusch and Brown 1996).

Distributive justice was proposed by Homans (1961) and extended by Adams (1965). These authors suggest that people are concerned about whether outcomes are fair rather than how the outcomes are achieved. Distributive justice, which is the perception of justice in the allocation of resources and benefits (Colquitt et al. 2001; Ramaswami and Singh 2003), involves the perception of equity in decisions such as the salary employees receive, compensation for responsibility, effort and performance, or retribution based on cooperation (Jap 2001; Ramaswami and Singh 2003; Sweeney and McFarlin, 1993). According to Kashyap et al. (2008), results tend to be considered fairer when they fulfill the expected behavior of each party, and if these results agree with what each has contributed. The results in the context of hotel outsourcing, for example, are punctual performance, cost saving, lack of client complaints, or sanctions for non-fulfillment, which can be established for both the supplier and the hotel.

The studies by Griffith et al. (2006), Brown et al. (2006), and Hofer et al. (2012) focus on these two types of justice. According to Griffith et al. (2006), attitudes, relationships, and behaviors are stimulated through the perception of justice, based on distributive and procedural justice. However, there is another type of justice, called interactional justice, which refers to the behavior and personal degree of sensitivity that the supplier's employees show toward the buyers. This has to do with the social glue of business relationships, such as honesty, empathy, courtesy, or respect (Zaefarian et al., 2006). However, procedural and distributive justice are more concerned with aspects related to procedures for distributing of the benefits of the relationship, fairness, and the economic benefit from business relationships. In our study, we focus on these two types of justice that analyze the perception of fairness, the benefits of the relationship, and the perceived justice of the outcomes and rewards. Our study focuses on procedural and distributive justice, without analyzing interactional justice, which is more related to interpersonal aspects between the hotel personnel and the suppliers.

#### Justice and Social Exchange theory (SET)

Social Exchange theory has its origin in many disciplines, such as anthropology, sociology, behavioral psychology, philosophy, and economics (Griffith et al. 2006). Social exchange theory (SET) provides a base for the development of diverse justice proposals, and it is especially important in the investigation of the interorganizational effects of justice (Konovsky 2000). This theory describes the mechanisms incorporated in the relational interdependence or relational contract that develops over time through exchange interactions between partners (Lambe et al. 2001). This theory also offers predictions about behaviors and attitudes in the formation and development of social exchange between the parties in the context of interorganizational relations (Dwyer et al. 1987; Anderson and Narus 1990). For this reason, SET can give us an idea of the variables that will be affected by procedural and distributive justice in hotel outsourcing relationships.

SET postulates that each relationship is composed of interactions that lead to economic and/or social results (DeConinck 2010). A relational exchange is differentiated from a transactional exchange in that a relational exchange is extended over time, and the participants are expected to make a commitment to the social exchange, seeking

personal rather than economic satisfaction (Lambe et al. 2001). In spite of these costs, SET proposes that in a relational exchange, just as in a transactional exchange, there are expectations that in the future there will be some compensation for the contributions made (Konovsky 2000). These expectations, which are not economic, are often undetermined and unspecified (Masterson et al. 2000), making it necessary for the relationship to continue and evolve, trusting completely that a series of rewards will be fulfilled in the future (Konovsky 2000).

A basic principle of SET is that the parties make a commitment to the relationship between they have an expectation that this will produce satisfactory rewards (Homans 1958; Blau 1964). The satisfaction obtained is evaluated by comparing the real results with the results that one feels that he/she deserves, which we call the comparison level (Thibaut and Kelley 1959). To do so, it is important to highlight that this comparison level is different for each party, so that perceived distributive justice plays a fundamental role in establishing this comparison level and, therefore, in the continuation and development of the relationship (Frazier 1983). In addition, if the processes used are fair, they play a decisive role in the development of trust as a critical element in the formation, maintenance, and stability of the relationship (Konovsky 2000). SET postulates that if the rewards are satisfactory, the parties will respond reciprocally with a positive attitude and behavior (Griffith et al. 2006).

#### Theoretical review and research model

Social exchange theory establishes the basis for the research model described below. Figure 1 shows the research model that examines the role played by justice in behavioral elements of relationships between suppliers and hotel. Hofer et al. (2012) tested this research model in their study on justice in the logistics sector, and we are going to apply it to outsourcing relationships in the hotel sector. First, the model analyzes the effect of the relationship between procedural and distributive justice on behavioral elements such as trust and a long-term orientation.

Second, the model analyzes the relationship between the three behavioral elements (long-term orientation, trust, and cooperation) and suppliers' proactive improvement.

Moreover, we study the mediator role of cooperation in the relationships between trust and long-term orientation and suppliers' proactive improvement.

#### **Introduce about here Figure 1**

#### Justice and its effect on the Long-term orientation

The long-term orientation is an especially important element in the research field of interorganizational relations (Ganesan 1994; Lusch and Brown 1996; Zhao and Cavusgil 2006; Cannon et al. 2010). Companies with a long-term orientation perceive the interdependence of their results with those of their partners, expecting that the joint results will benefit the company in the long run (Kelley and Thibaut 1978; Ganesan 1994). The long-term orientation is based on the premise that the relationship is stable, and it is considered in terms of the partners' attitude or vision about future benefits the relationship can provide them (Ryu et al. 2007). In companies with a long-term orientation, the expectation of receiving common benefits over time leads them to be concerned about relational exchanges (Das and Teng 2000; Ganesan 1994), thus improving their relational behavior (Lusch and Brown 1996) and aligning with the partner's incentives, as they are aware that they are going to work together for a long time (Das and Teng 2000). Therefore, a company with a long-term orientation in the relationship with the supplier perceives that the maintenance of the relationship is beneficial and believes that the relationship will last a long time (Gardner et al. 1994). Consequently, attention is paid to future objectives and not only to the immediate benefits of the relationship (Ganesan 1994).

If the company perceives that the processes used by the supplier to manage the relationship are fair (that is, procedural justice), this may be because the supplier has established open, bidirectional communication, listening to the client's desires and expectations and identifying its needs, thus helping the client to achieve its goals and objectives (distributive justice) (Tang and Sarsfield-Baldwin 1996). Therefore, if the client perceives the processes to be fair (procedural justice), the supplier will probably establish clear criteria for the processes and distribution of benefits, which suggests that the supplier will be completely involved in the continuing improvement of the relationship (Hofer *et al.* 2012).

According to SET, if a company is convinced that its contribution to the exchange is adequately rewarded, this will reinforce the existing link with its partner (Cropanzano et al. 2002; Griffith et al. 2006). Griffith et al. (2006) show that there is a positive relationship between procedural and distributive justice and the long-term orientation of the relationship. Moreover, the perception of fairness in the results (distributive justice) and the processes used to achieve these results (procedural justice) will considerably influence the decision to continue the relationship, thus affecting the willingness to establish a long-term orientation (Hofer et al. 2012). Therefore, when a hotel perceives that the processes and distribution of results adopted by its external service providers are fair, an increase in the willingness to maintain the relationship over time would be expected. Based on these arguments, we propose the following hypotheses:

#### Hypothesis 1

Greater procedural justice perceived by the hotel from its external suppliers is positively associated with a more long-term orientation in the outsourcing relationship.

#### *Hypothesis 2*

Greater distributive justice perceived by the hotel from its external suppliers is positively associated with a more long-term orientation in the outsourcing relationship.

## Justice and its effect on trust in external suppliers

Trust is defined as the belief that an interorganizational relationship is ruled by integrity and reliability (Morgan and Hunt 1994), and it is an essential element in the context of services, given their characteristics of intangibility and heterogeneity (Philbin, 2008). According to Zaefarian et al. (2016) if a supplier is not being treated well by its buyer, it will develop negative attitudes toward trust. In the context of hotel services outsourcing, a hotel's trust in a supplier is based on the belief that it completely dominates the operations and processes it is going to provide and has the material and human means to do so. Justice increases the buyer's willingness to rely on the supplier to achieve its goals, reducing opportunism (Huo et al. 2016).

Based on SET, justice in interorganizational relationships is a critical element in fomenting trust and the expectation of continuing this relationship (Dwyer *et al.*, 1987).

The positive effect of justice on trust is clearly established in the literature (Anderson and Weitz 1992; Korsgaard et al. 1995; Konovsky, 2000). When a firm perceives that management procedures and policies in operations with its suppliers are fair, it means that the hotel understands and agrees with the contractual and operative processes that regulate the relationship, increasing quality and trust in the relationship (Kumar et al. 1995; Tang and Sarsfield-Baldwin 1996; Cohen-Charash and Spector 2001; Dirks and Ferrin 2002; Hofer et al., 2012). Likewise, if a hotel perceives that the distribution of the results of the relationship is fair, the hotel will believe that the supplier is reliable and trustworthy. Therefore, based on the above, we propose the following hypotheses:

#### Hypothesis 3

Greater procedural justice perceived by the hotel from external suppliers is positively associated with its trust in the outsourcing relationship.

#### *Hypothesis* 4

Greater distributive justice perceived by the hotel from external suppliers is positively associated with its trust in the outsourcing relationship

#### The long-term orientation and its effect on suppliers' proactive improvement

The supplier's proactive improvement refers to the situation when a supplier voluntarily improves the service provided (Wallenburg et al. 2010). This proactive improvement can materialize in innovations in products, processes, and services that are perceived as new by the hotel. Considering the growing number of companies that provide outsourcing services and hotels' growing need to focus on their core competences, innovation is fundamental to the success of suppliers in this increasingly competitive market where hotels make greater demands.

Crant (2000) indicates that both individual and contextual factors play a fundamental role in the appearance of proactive behaviors in organizations. The individual factors include having a proactive personality, involvement in the work, and a desire for excellence and personal achievement. The contextual factors include the organizational culture, the organizational norms, and support for management. The union of these

factors and the long-term orientation of a relationship between a hotel and its supplier will be influenced by the supplier's proactive behavior.

When a firm presents a long-term orientation with its supplier, there is an expectation that this relationship will continue (Gardner et al. 1994), and the firm is willing to make investments and/or sacrifices because it believes it will be rewarded in the future (Ganesan 1994). In this situation, the supplier is expected to have greater confidence in taking risks, invest economically to improve the client's processes and services, and propose changes in these processes or services or even others that exceed its responsibility, even though this may lead the supplier to invest in technology or human capital (Lui et al. 2009; DeVita et al. 2010; Hofer et al. 2012).

Based on the reciprocity presented in SET, in this situation there is a belief that the firm will behave reciprocally with its supplier and strengthen the link in the relationship (Griffith et al. 2006). Therefore, it is better for the supplier to have a proactive attitude with the client. Thus, we propose the following hypothesis:

#### Hypothesis 5

The hotel's long-term orientation in the outsourcing relationships is positively associated with the perception that external suppliers are making proactive improvements.

## Hotels' trust and its effect on the proactive improvement of suppliers

Trust is a subject's willingness to count on a partner in an exchange that inspires confidence (Moorman et al. 1992; Ganesan 1994). It is a determinant of the maintenance of the relationship (Morgan and Hunt 1994; Ganesan 1994), where both parties must have the perception that the resources will be fairly distributed in the future (Ganesan 1994). When a firm trusts its supplier, the firm focuses on the future conditions, so that there is interest in developing the relationship (Lambe et al. 2001). According to the SET reciprocity norm, when a firm has trust in its supplier, it expects that any commitment or expense should be compensated by the supplier in the future (Griffith et al. 2006). In addition, relationships with a high level of trust present lower levels of uncertainty (Morgan and Hunt 1994), which indicates that the firm has a lower

perception of the risk of opportunistic behavior by the supplier (Ganesan 1994). Trust produces a strong desire to reach an agreement that is easy to put into practice and can make suppliers implement proactive improvements (Saorín-Ibarra et al., 2015).

In this context of trust, the firm is willing to establish open and sincere communication (Morgan and Hunt 1994), providing more sensitive, important, and strategic information. This allows the supplier to better understand the real needs of its client and, thus, develop innovative ideas that can improve the relationship (Deepen et al. 2008). Trust enables close working relationships, which can result in greater relationship effectiveness (Hofenk et al. 2011). The increase in trust makes it possible to reduce opportunism and, therefore, influence the supplier's proactive improvement. Hofer et al. (2012) show that when there is greater trust between the parties, the suppliers become more involved in proactive improvement, improving innovation and taking initiatives to enhance the relationship. Thus, suppliers will be more proactive in developing new strategies in supplying services to hotels, proposing new changes and improvements. Therefore, we propose the following hypothesis:

#### Hypothesis 6

The hotel's greater trust in the outsourcing relationships is positively associated with the perception that external suppliers are making proactive improvements in the relationship.

#### Hotels' trust and its effect on the long-term orientation

Trust has become the key social variable to explain cooperation and a long-term orientation (Izquierdo and Cillán 2004). Trust has been fundamental in reaching higher levels of agreement, more cooperative behavior, and lower levels of uncertainty (Morgan & Hunt, 1994). Ganesan (1994) argues that trust in a supplier affects the long-term orientation because it reduces the perception of risk associated with opportunistic behaviors and ensures that short-term inequities will be resolved over a long period of time.

There is solid empirical evidence showing that trust influences the future behavior of the parties (Doney and Cannon 1997; Hofer et al. 2009; Hofer et al. 2012). One of the dimensions of associative behavior is the long-term orientation, which reflects that there

is a strong expectation that the collaborative behavior will continue in the future with an undetermined end-point (Gardner et al. 1994). In the hospitality industry, Leeman and Reynolds (2012) show that trust is one of the most important elements in maintaining outsourcing relationships that allow vendor retention. Trust between firms makes it possible to develop partner relationships with a long-term orientation (Ryu et al., 2007). In the relationships in outsourcing activities related to logistics, Hofer et al. (2012) show that the client's trust in the supplier influences the long-term orientation of the relationship. The same arguments can be extended to the hotel sector, where we propose the following hypothesis:

### Hypothesis 7

The hotel's greater trust in the outsourcing relationships is positively associated with the long-term orientation with the external suppliers.

As we indicated above, relationships characterized by high levels of trust are associated with greater levels of cooperative behavior, partly because trust can reduce uncertainty and foment cooperation (Dabholkar et al. 1994). In addition, Duhan and Sandvik (2009) argue that significant cooperation is unlikely unless the parties trust each other, and it is unlikely that a company will cooperate with its supplier if it has little trust in it. Trust can only be established and constructed through long-term cooperation between firms (Ryu et al. 2009). Moreover, a long-term orientation emphasizes that a company and its supplier focus on mutually beneficial results over a period of time. When a hotel has a long-term orientation in the outsourcing relationship, the hotel expects the relationship to last, and it also expects the benefits stemming from it to be valuable for the hotel. If this situation occurs, a hotel has a greater probability of showing a relational behavior that gives rise to an increase in cooperation, which in turn will influence proactive improvement. If there is cooperation between the hotel and the suppliers, there is goal consistency about the organizational objectives and mutual understanding of the relationship, which will favor proactive improvement (Kim et al., 2010). When there are more relationship interaction activities between the supplier and the customer, there is a higher level of relationship quality (Rhodes et al., 2016). Lusch and Brown (1996) point out that the long-term orientation influences relational behavior. The long-term orientation in an outsourcing relationship is a fundamental element in important relational changes, such as cooperation, information exchange, and trust (Chung et al. 2006).

The degree of relationship between the partners positively influences the probability that the outsourcing will continue (Lee et al., 2013). A long-term orientation toward the relationship will provide signs that the supplier is working toward similar or common goals, thus increasing perceived cooperation (Lussier and Hall, 2018). This expectation that the transaction will continue in the future motivates the partners to promote a relationship of cooperation (Kim et al., 2010). A high level of trust allows companies to meet cooperation goals and improve satisfaction with their partners (De Pablo Gonzalez et al., 2014). According to Kim et al., (2010), trust makes it possible to reduce the perceived risk of opportunist behavior and leads to a reduction in transaction costs, thus reducing conflicts and reinforcing cooperation. Based on the above, we propose the following hypotheses:

## Hypothesis 8

Cooperation between the hotel and the external suppliers is positively associated with the proactive improvement performed by the suppliers in the outsourcing relationships.

#### Hypothesis 9

The hotel's long-term orientation in the outsourcing relationships is positively associated with cooperation between the hotel and the external suppliers.

#### Hypothesis 10

The hotel's greater trust in the outsourcing relationships is positively associated with cooperation between the hotel and external suppliers.

The research model we propose establishes that proactive improvements are affected by trust and the long-term orientation; and these variables indirectly influence proactive improvement through cooperation. Cooperation has to do with situations where the parties work closely together to achieve mutual goals (Anderson and Narus 1990). It is defined as the combined effort of companies in an interdependent relationship to reach individual and joint goals, with the desire to achieve benefits that they could not obtain without working together (Hofer et al. 2012). Cooperation has become an increasingly

important element of behavior, especially in the role it plays in buyer-seller agreements and the long-term nature of the outsourcing relations, allowing the supplier to perform activities and display behaviors (such as proactive improvement) that would not normally be rewarded in short-term relations (Deepen et al. 2008). In addition, a supplier is more likely to develop proactive improvements in an atmosphere of cooperation than in an uncooperative relationship. Cooperation is greater when the suppliers adapt the service to the hotel's needs, allowing the suppliers to develop proactive improvement. In this regard, cooperation intercedes, and it is necessary in the relationship between trust and a long-term orientation and proactive improvement. If there is no cooperation between the hotel and the suppliers, trust and a long-term orientation will have no effect on proactive improvement.

Cooperation is emphasized in terms of spirit and joint efforts between the partners, and it a necessary element to reach the organizational goals (Leoniduo et al., 2002). Therefore, its mediating presence can be fundamental for the existence of proactive improvement. Cooperation produces relational benefits (Dyer and Singh, 1998), creating value for the company and improving efficiency through learning and trust development (De Pablo et al., 2014). In their study in the logistics sector, Hofer et al. (2012) showed that the long-term orientation does not directly influence proactive improvement, but it does indirectly through cooperation.

#### Hypothesis 11

The effects of trust and a long-term orientation on proactive improvement are mediated by cooperation.

## Methodology

## Study setting and sample

The setting chosen for the study was Gran Canaria Island, a consolidated tourist destination that received 3,580,000 tourists in the year 2014 (FRONTUR, 2014). Sun and beach hotels with 3, 4, and 5 stars in the towns of San Bartolomé de Tirajana and Mogán were chosen to carry out our research. After reconciling and updating various databases, the total number of hotel establishments identified was 71. The field study was carried out from the beginning of August 2014 to the end of January 2015. To obtain the study data, a personal survey was completed by the managers without the

direct intervention of the researcher, except to clarify any doubts. The hotel managers were first contacted by email and then by telephone, and they were asked to participate in the study. The managers who agreed to be surveyed were asked for an appointment to go to the hotel and administer the survey.

The data were obtained through a personal survey administered directly by the researcher, where the hotel managers answered different questions proposed. The unit of analysis was the manager and assistant manager of the establishment. However, during the fieldwork, we found managers who were responsible for two or more establishments, and the figure of assistant manager did not appear in the organigram of many of the hotels. For this reason, only 77 surveys were obtained from 63 hotels. The real response rate was 88.73%, which represents the majority of the tourist hotels in San Bartolomé de Tirajana and Mogán. Of the 77 managers surveyed, 12 belonged to 5-star hotels, 42 to 4-star hotels, and 23 to 3-star hotels. The majority of these 77 managers were men; a total of 55 men and 22 women participated in the surveys. The main age range of these 77 managers is between 35 and 44 years (37.66%), followed closely by managers between 45 and 54 years old (36.36%). The rest of the managers were divided between 25 and 34 years old (10.39%), 55 and 65 years old (12.99%), and 2.60% who are still working after the age of 65. Thus, 74.02% of the hotel managers surveyed were between 35 and 54 years old.

To evaluate the likelihood of a non-response bias, early respondents were compared to late respondents on the procedural and distributive justice variables using t-tests. No significant differences were found for procedural and distributive justice (t=-0.947, p=0.347; t=-0.123, p=0.902) between the two groups surveyed, thus indicating that the non-response bias is not a problem in our data.

#### Measurement scales

To elaborate the questionnaire, we examined the theoretical and empirical literature on how to measure the degree of justice perceived by the manager, the long-term orientation, cooperation, trust, and proactive improvement, in order to extract valid and reliable questions. Before collecting the data, the questionnaire was pre-tested for content validity (Hult et al. 2007). This pre-test was carried out by researchers with experience in the hotel sector and different hotel managers, which led to improvements in the wording of the items, resulting in a clearer and more concise questionnaire.

*Degree of justice perceived by the manager*. We based the measurement of justice in the hotel outsourcing relationships (procedural and distributive) on the studies by Griffith et al. (2006) and Hofer et al. (2012), adapting their scales to outsourcing in hotels. The procedural justice construct these authors used was measured through a three-item scale adapted from Konovsky and Cropanzano (1991). The indicators of this scale measure whether or not the hotel perceives the development and management of its relationship policies as fair. The distributive justice scale is based on the study by Walster et al. (1978); four items measure the perception of fairness in the distribution of resources and the benefits of the relationship. This scale was adapted for the hotel sector. For both constructs, the people surveyed expressed their level of agreement or disagreement on a numerical Likert-type scale ranging from 1 to 7, where 1 indicates strong disagreement and 7 indicates strong agreement with the established statement (see Appendix).

Long-term orientation, cooperation, and trust. Given the objectives of the research model, three behavioral elements were included in the study. Measurement of the long-term orientation focuses on its affective dimension and implies a strong psychological attachment with the supplier (Verhoef 2003). To measure it, we used a four-item scale, based on Wallenburg (2004) that was also used in the study by Hofer et al. (2012). In the case of cooperation, Hofer et al. (2012) measured it on a four-item scale based on the studies by Frazier (1983) and Larson and Kulchitsky (1999). The third behavioral element, trust, was measured on a four-item scale based on the studies by Doney and Cannon (1997) and Deepen (2007). For these three behavioral elements, we present the interviewees with a set of statements on a subjective, numerical, 7-point Likert-type scale on which the manager had to express his/her level of agreement or disagreement with the statements presented (see Appendix).

*Proactive improvement*. Proactive improvement is defined as the affective and cognitive evaluation of the supplier's efforts to actively improve the outsourced activities (Hofer et al. 2012). To measure it, we used a four-item scale based on the studies by Wallenburg et al. (2010) and Hofer et al. (2012). This scale is designed to measure the supplier's improvement efforts that go beyond its responsibility and that are an indicator

of the motivation to increase the client's performance. The scale also measures aspects of self-motivation; that is, it measures whether the supplier makes an effort to improve the outsourced activities, regardless of whether the hotel appreciates this effort. Finally, this scale measures the supplier's level of proactive innovation. The items were presented on a Likert-type scale from 1 to 7, where 1 indicates strong disagreement and 7 indicates strong agreement (see Appendix).

#### Analysis and results

We used the Partial Least Squares (PLS) technique through the statistical program SmartPLS 2.0. M3 (Ringle et al. 1995). The objective of PLS is to predict latent variables based on the variance through the estimation of Ordinary Least Squares (OLS) and principal components analysis. PLS does not make restrictive assumptions about the distributions of the data, measurement levels, or sample sizes (Chin 1998a; Tenenhaus et al. 2005). PLS is appropriate for research topics where there are few studies (Barclay et al., 1995), which is our case, especially on organizational justice and outsourcing relationships in the hotel sector. In addition, our study uses some scales with few items, and the model is not complex, so that PLS makes it possible to guarantee the robustness of the results (Qureshi and Compeau, 2009). PLS provides more robust estimations of models for smaller sample sizes than methods based on covariance models (Barroso et al., 2010; Frías-Jamilena et al., 2013). Moreover, PLS is being used in some studies that analyze outsourcing relationships (Aubert et al., 2004; Lee et al., 2011; Ee et al., 2013; Teo and Bhattacherjee, 2014). PLS is recommended in situations where there are mediation hypotheses (James et al., 2006). All of these characteristics support the use of PLS in our study.

The analysis and interpretation of a PLS model requires two stages: a) assessment of the levels of reliability and convergent and discriminant validity of the measurement model and b) estimation of the structural model (Barclay et al., 1995).

#### Measurement model

The measurement model in PLS is assessed in terms of the individual reliability coefficients of the item, convergent validity, and discriminant validity. To analyze the individual reliability of the scales for each item, we evaluated the loadings of the

indicators in their respective constructs. The data show that the majority of the loadings surpass the threshold of 0.707 proposed by Carmines and Zeller (1979). Only two presented loadings below the threshold of 0.707, one item with a factor loading of 0.676 (JO4) and another with 0.540 (CO4), which were marginally acceptable. Some authors lower this threshold to 0.50 (Hasan and Ali 2007; Falk and Miller 1992) and recommend that this rule should be more flexible (Chin 1998b) because the inclusion of indicators with low factorial loadings in the PLS makes it possible to obtain useful information without reducing the predictive capacity of the model. Moreover, these items have been retained because the collaborative and distributive scales were composed of only 4 items, and the deletion of an item could reduce their content validity. Furthermore, when scales from prior literature are used, a lower threshold of 0.5 can be considered (Jain et al., 2014). In the evaluation of the construct reliability, we considered the composite reliability (CR), regarded as a better measure than Cronbach's alpha (Fornell and Lacker, 1981). Table 1 shows that all the constructs are reliable and exceed the reference value of 0.7, in this case reaching composite reliability (CR) values between 0.863 and 0.948. In addition, Cronbach's alphas of the constructs exceed the recommended value of 0.7, reaching values between 0.792 and 0.918 (Nunnally, 1978). Moreover, to examine the convergent validity, we use the average variance extracted (AVE), which refers to the shared mean variance between the constructs and their indicators. The average variance extracted (AVE) of all the constructs exceeds the required threshold of 0.5, reaching values between 0.61 and 0.86, thus, it can be stated that more than 50% of the construct's variance is due to its indicators, which means that the results of the model have convergent validity.

Furthermore, we tested the existence of discriminant validity in the model. According to Fornell and Lacker (1981) and Roldan and Sánchez-Franco (2012), to guarantee discriminant validity, the square root of the AVE measures has to be higher than all the correlations between all the constructs. As Table 2 shows, the square root of the AVE (main diagonal) is in all cases superior to the correlations between the constructs, which shows discriminant validity. In addition, O'Cass and Ngo (2007) indicate that discriminant validity is evident when the correlation between two constructs is below their respective composite reliability. Table 2 shows that the correlations have values inferior to their respective reliabilities (0.863-0.948). Therefore, all the constructs support the discriminant validity of the scales used.

## Introduce about here Table 1 Introduce about here Table 2

#### Structural model

Table 3 and Figure 2 show the structural model resulting from the PLS analysis (model 1). The structural model is evaluated by examining the explained variance ( $\mathbb{R}^2$ ) and the standardized *path* coefficients ( $\beta$ ) of each of the hypothesized relationships in the model with the observed t-values obtained on the non-parametric test of bootstrap resampling with 5000 samples, following the indications of Hair et al. (2011) and Henseler et al. (2009).

The first four hypotheses (Hypotheses 1, 2, 3 and 4) examine the relationship between procedural and distributive justice on behavioral elements such as the long-term orientation and trust. Figure 2 (model 1) and Table 3 show that procedural justice perceived by the hotel negatively influences the long-term orientation of the outsourcing relationships, ( $\beta$ =-0.277, p<0.001); therefore, hypothesis 1 is not supported. Regarding hypothesis 2, which predicts a positive relationship between the distributive justice perceived by the hotel and the long-term orientation of the outsourcing relationships, the results show that a higher level of distributive justice positively influences the long-term orientation, confirming this prediction; thus, we can confirm hypothesis 2 of our model  $(\beta=0.332,p<0.001)$ . With regard to the influence of procedural and distributive justice on trust in the outsourcing relationships (hypotheses 3 and 4), the results confirm a positive effect of both types of justice on trust ( $\beta$ =0.442, p<0.001;  $\beta$ =0.153, p<0.05). The six remaining hypotheses (Hypotheses 5, 6, 7, 8, 9 and 10) examine the relationship between the three behavioral elements (long-term orientation, trust, and cooperation) and proactive improvement. In model 1, we observe that the long-term orientation and trust do not directly influence proactive improvement ( $\beta = 0.067$ , p>0.10;  $\beta = 0.162$ (p>0.10) (hypotheses 5 and 6). Meanwhile, trust shows a positive relationship with the long-term orientation ( $\beta$  =0.642, p<0.001), supporting hypothesis 7.

However, there is a positive relationship between the long-term orientation and cooperation ( $\beta = 0.272$ , p<0.01) and trust ( $\beta = 0.563$ , p<0.001), confirming hypotheses 9 and 10. Likewise, the results show that cooperation influences proactive improvement

( $\beta$  =0.341, p<0.05), confirming hypothesis 8. This result indicates that there is an indirect effect on proactive improvement through cooperation, as the long-term orientation and trust do not show a direct relationship with proactive improvement, although they do through cooperation. We explain this mediation by cooperation in the next section.

The predictive value of the endogenous variables was evaluated by the  $R^2$  of the model's dependent variables, which determines the amount of variance explained by the model. Although there is no consensus about the minimum value that  $R^2$  should have, Falk and Miller (1992) indicate that it should at least exceed the threshold of 10%. In all cases, the model's dependent variables (long-term orientation, trust and cooperation, and proactive improvement) range between 26.5% and 49%, which indicates that the model has predictive capacity.

In addition, as the objective of PLS is prediction, based on the proposals by Barclay et al. (1995), Tenenhaus et al. (2005) and Henseler et al. (2009), we used the Stone-Geisser  $Q^2$  test (Stone, 1974; Geisser, 1975) to measure the predictive relevance of the dependent constructs. The Stone-Geisser test generally accepts that a model has predictive relevance when  $Q^2$  is greater than zero (Chin, 1998a; Pinto et al. 2006). In our model, the  $Q^2$  values are above zero (long-term orientation, 0.295; trust, 0.163; cooperation, 0.329; proactive improvement, 0.162), indicating that the model has predictive relevance.

## Introduce about here Table 3.

#### Introduce about here Figure 2.

Finally, we evaluated the goodness of fit of the model. The PLS technique does not have an index that can provide a validation of the model, and authors such as Tenenhaus et al. (2005) propose a global criterion for its validation. Specifically, we applied the Goodness-of-fit (GoF) indicator, which consists of the geometric mean of the mean of the communalities multiplied by the  $R^2$  mean. A GoF that exceeds .36 is considered a model with good fit (Chin, 1998a). In our case, the value is 0.537, and so we can state that the model has sufficient predictive quality (see Table 3).

## GoF= $\sqrt{Communality} \ x \ \overline{R}^2$

#### The mediation of cooperation in proactive improvement

To test the mediation, we checked the three conditions by Baron and Kenny (1986): (a) the independent variable (trust) has to predict the dependent variable (that is, proactive improvement). This was shown in structural model 2 without mediation ( $\beta = 0.352$ ; p<0.01); (b) the proposed mediator (cooperation) has to be predicted by the independent variable (trust) and predict the dependent variable (proactive improvement). This relationship was shown in model 1, where a positive relationship is found between trust and cooperation ( $\beta = 0.563$ ; p<0.001), and where cooperation predicts proactive improvement (B  $\beta = 0.341$ , p<0.05); and (c), the relationship between trust and proactive improvement tends to diminish (preferably to non-significance for full mediation) when the mediator variable is added (Model 1). Although there is a positive relationship between trust and proactive improvement, it diminishes to non-significance ( $\beta$ = 0,162; p> 0,05, Model 1) when cooperation is added in model 1. This supports what Baron and Kenny (1986) suggest for full mediation to exist. Therefore, these results suggest that cooperation is a mediator variable in the relationship between trust and proactive improvement.

#### **Introduce about here Figure 3**

Next, following the same procedure, we tested whether cooperation was also a mediator variable between the long-term orientation and proactive improvement. To test the mediation, as in the case of trust, we checked the three conditions of Baron and Kenny (1986): (a) the independent variable (trust) has to predict the dependent variable (that is, proactive improvement). This was shown in structural model 2 without mediation ( $\beta$  =0.352; p<0.01); (b) the proposed mediator (cooperation) has to be predicted by the independent variable (long-term orientation) and predict the dependent variable (proactive improvement). This relationship is shown in model 1, where a positive relationship is observed between the long-term orientation and cooperation ( $\beta$  = 0.272; p<0.01), and cooperation is found to predict proactive improvement ( $\beta$  = 0.341, p<0.05); and (c), the relationship between the long-term orientation and proactive improvement tends to diminish (preferably to non-significance for full mediation) when

the mediator variable is added (Model 1). There is a weak positive relationship between long-term orientation and proactive improvement ( $\beta = 0.161$ ; p<0.10, Model 2, table 4), and the relationship between the long-term orientation and proactive improvement is reduced to non-significance ( $\beta = 0.067$ ; p> 0.10, Model 1, table 3) when cooperation is added in model 1. This supports what Baron and Kenny (1986) suggested, showing full mediation. Therefore, these results suggest that cooperation is a mediator variable between the long-term orientation and proactive improvement. Together, the results suggest that cooperation mediates in the relationships between trust and the long-term orientation and proactive improvement, supporting Hypothesis 11.

## Introduce about here Table 4

Comparing the fit and predictive capacity of the two models in tables 3 and 4, we can see that the model mediated by cooperation has greater predictive capacity than the model where cooperation does not appear (model 1, GoF= 0.537; model 2, GoF= 0.491), as well as greater explained variance of proactive improvement in model 1 than in model 2. (Model 1,  $R^2 = 0.269$ ; Model 2,  $R^{2=}0.221$ ). These results indicate that the mediated model explains the relationships better. Therefore, cooperation is a mediator variable that allows an influence on proactive improvement.

#### Discussion

The concept of justice is important in the buyer-seller relationship because it has economic and social connotations, and the literature has found it to be a critical factor in the success of interorganizational relationships (Dwyer et al. 1987; Frazier et al. 1988; Kaufmann and Stern 1988; Anderson and Weitz 1989; 1992; Gundlach and Murphy 1993; Griffith et al. 2006). Some studies have investigated justice at the individual level (Cropanzano et al. 2002; Loch and Wu 2008), whereas others have investigated its role in the logistics sector (Griffith et al. 2006; Narasimhan et al. 2009; Liu et al. 2012; Hofer et al. 2012) or in marketing (Kumar et al. 1995). However, no studies have investigated it in the context of hotel outsourcing, which gives an added value to the conclusions drawn in this study. Different studies establish the importance of procedural and distributive justice in outsourcing relations and their effect on improving performance (Kumar et al. 1995; Griffith et al. 2006; Narasimhan et al. 2009; Choi and

Wu 2009). Studies have shown that an unfair relationship with the supplier can lead to lower performance due to the possible appearance of opportunism (Anderson and Jap 2005; Rossetti and Choi 2005).

This study is based on a review of the existing literature about justice in interorganizational relations and an empirical application that shows the importance of justice in hotel outsourcing relationships. The study proposes a framework to investigate the relationship between justice (procedural and distributive) and elements of behavior (hypotheses 1, 2, 3 and 4), and the relationship between these three behavioral elements (long-term orientation, trust and cooperation) and proactive improvement (hypotheses 5, 6, 7, 8, 9, 10, 11). The results obtained not only provide information about the effects of suppliers' justice policies, but they also make it possible to understand how outsourcing relationships in hotels develop, by incorporating these elements under social exchange theory (SET).

The results of the study by Griffith et al. (2006) indicate that a supplier's perception of justice (procedural and distributive) can improve the long-term orientation of the relationship and the supplier's behavior, which are associated with a reduction in conflicts and an increase in satisfaction, influencing the supplier's performance. The results of our study indicate a positive influence of distributive justice on the long-term orientation. However, the influence of procedural justice on the long-term orientation is negative. This result suggests that hotels focus their attention more on the economic results of the relationship than on the way they are treated in it (procedural justice). These results contrast with those found in other studies, such as the previously mentioned study by Griffith et al. (2006) in the area of logistics, or more recently, the study by Hofer et al. (2012). These studies suggest a positive influence of both procedural and distributive justice on the long-term orientation, and the results even indicate a greater influence of the social policy of procedural justice compared to the economic policy of distributive justice. Therefore, we find ourselves in a situation where hotels focus their attention more on distributive justice than procedural. Regarding procedural justice, the results indicate that treating the hotel in a fair and equitable way has a negative influence on having a long-term relationship, perhaps because managers want to receive more than just fairness and try to gain more through the outsourcing relationship. Fair treatment can be seen as something simple and as a

necessary, but insufficient, condition for maintaining a long-term relationship. Procedural justice refers to the perception of fairness in the processes associated with making decisions, and the attitudes of those who are directly involved or affected by them (Korsgaard et al., 1995). This contradictory result indicates that on many occasions, although the procedures and forms are perceived as just and equitable, hotel managers may not participate in making decisions about outsourcing, or the outsourcing process may be imposed on them, which can generate a priori rejection of greater future commitment.

In addition, the results also indicate that the perception of justice held by the hotel manager, both procedural and distributive, influences the trust in the hotel outsourcing relationship. As Berry (1983) points out, trust is an essential element in relationships and has been widely studied in different areas, establishing itself as a key element in maintaining the relationship (Jambulingam et al. 2009). A source of trust in relationships is justice (Lind and Tyler 1988). The perception of fairness one has of justice can reduce the firm's fear of the supplier's opportunism, paving the road to achieving a relationship of trust (Jambulingam et al. 2009). Trust and cooperation are elements that arise if the partners have a common idea about the procedures that guide the relationship and perceive the distribution of benefits as fair (Jambulingam et al. 2009). Therefore, our results contradict those found in the literature, such as Hofer et al. (2012) finding that only procedural justice has an influence on trust. This study allows us to also establish trust as a critical factor in the outsourcing relationship, as occurred in other studies (Zineldin and Jonsson 2000; Rauyruen and Miller 2007; Leeman and Reynolds 2012), with direct and indirect effects on its performance and the capacity to promote learning (Shen and Hsieh 2013).

In agreement with other studies, the results also suggest a positive relationship between the long-term orientation and trust (Adamson et al. 2003; Leeman and Reynolds 2012; Hofer et al. 2012) and cooperation (Lusch and Brown 1996; Hofer et al. 2012). Trust has been recognized in the literature as a critical factor for establishing a long-term orientation in interorganizational relationships (Morgan and Hunt 1994). Trust is the cornerstone of the long-term orientation of the relationship (Spekman 1988), and it is developed only in relationships with a long-term orientation and cooperation, reducing the risk of opportunism (Leeman and Reynolds 2012). In the case of cooperation, the positive relationship found in our study between cooperation and the long-term orientation can make hotels and their suppliers more willing to make concessions in their behaviors, based on the belief that they will be rewarded in a future of the relationship. In a hotel outsourcing relationship with a long-term orientation, it is necessary to work with efficacy on three main aspects when there are disagreements, in order to maintain the mutual benefits of the relationship: increase relational behavior, decrease conflicts, and increase satisfaction (Griffith et al. 2006). In terms of relational behavior, the partners perceive the long-term orientation when they maximize the benefits that will be obtained in the future through the acceptance of short-term inequalities (Heide and Miner 1992; Ganesan 1994). The reduction in conflicts due to the long-term orientation of the relationship agrees with the social exchange theory.

The results suggest that the long-term orientation and trust do not directly influence proactive improvement, but they influence it indirectly through cooperation. Proactive improvement is a key result of procedural and distributive justice (Hofer et al. 2012). Different studies support the idea that the supplier's efforts to proactively improve can play a fundamental role in maintaining the success of the relationship (Wallenburg 2009; Wallenburg et al. 2010). The results of the present study show that cooperation mediates between the long-term orientation and trust and proactive improvement. Therefore, proactive improvement occurs as a result of the supplier's cooperation with the hotel, which indicates that expectations about the relationship's continuity and trust would have little value in improving the operations if cooperation did not exist.

In the study by Hofer et al. (2012), cooperation also mediates in the relationship between the long-term orientation and proactive improvement, but unlike in our study, these authors show that there is a direct relationship between trust and proactive improvement.

## Academic and practical implications

In the context of hotel outsourcing relationships, this is the first study to provide a presentation of the interaction between the justice dimensions and their impact on the behavior in the relationship. It is necessary to understand these interactions from an academic and practical perspective. Through social exchange theory, in the literature on

hotel outsourcing, we provide a theoretical base and a practical guide for understanding the attitudes and behaviors in the outsourcing relationship.

From an academic point of view, our study contributes to the hotel outsourcing literature and to the extensive literature on justice. This study provides a framework for understanding the factors that explain the success or failure of outsourcing relationships in hotels, and a unique perspective on the dynamic and results of the relationships between suppliers and hotels. In addition, it contributes to the theoretical development of the research on hotel outsourcing and on justice by describing the interaction of this construct with behavioral elements and their effect on proactive improvement, an almost unexplored result of justice. Furthermore, this study can be used as a springboard for future studies that analyze the role of justice in hotel outsourcing relationships.

From a practical point of view, this study provides a series of tools for hotel managers to use in handling the outsourcing relationships in their hotels. It gives them information about the effects of suppliers' policies and allows them to better understand how hotel outsourcing relationships develop. The model developed and empirically tested shows that, through the establishment of fair distributive and procedural policies, it is possible to positively influence the attitude and behavior of the supplier. The results of our study reveal that managers have to be aware of the need to establish policies that define the responsibilities of each party and the level of agreement and conformity with them. In this way, they can establish a climate of cooperation that will have a real effect of proactive improvement in the supplier. Therefore, to maximize the benefits of the outsourcing relationship, the hotel manager must pay attention to aspects that go beyond purely economic considerations. Finally, the perception of justice can make us more willing to extend currently outsourced activities or outsource other activities that were not previously outsourced.

The results of our study also provide valuable information for suppliers, as they show them the key factors that influence their relationship with the hotel, allowing them to pay greater attention to these factors and giving them an opportunity to strengthen and broaden their relationships as providers of outsourced services. Among the factors that can be seen in our study, proactive improvement emerges as a key factor to satisfy hotel managers and, therefore, guarantee the maintenance of the relationship. The supplier must be capable of adapting the activity to the characteristics and needs of the hotel, or even make specific investments. Suppliers must be aware that hotel managers expect this proactivity to arise naturally and not based on their demands. Managers expect them to provide solutions, innovation and improvements, and keep up with new technologies and emerging concepts. All of this takes place within a framework of cooperation, where both parties must participate fully in the relationship. Moreover, the supplier must consider the need to continually evaluate the fairness perceived by the hotel, establishing mechanisms to follow up and check on the relationship, in order to identify areas that need improvement and, thus, increase procedural and distributive justice.

### Limitations and future research

This study empirically examines the dimensions of justice and other behavioral elements that can influence suppliers' proactive improvement efforts in outsourcing relationships. However, it also has some limitations that can lead to future research studies. One of the limitations is that the study to hotel outsourcing in general, analyzing the relationship between justice and behavioral elements in all the hotel's outsourced activities. In this regard, future studies should analyze partial relationships of each activity or by the type of activity. It would be interesting to find out whether these relationships occur, for example, in the outsourcing of food and beverages or animation, and analyze the differences by activity. In addition, the study analyzed the overall perceptions of procedural and distributive justice. Therefore, future studies should consider how hotel managers react to specific dimensions of each type of justice. In addition, future studies should consider how interactional justice influences the relational exchange components analyzed in this study.

Furthermore, our study could be used as a model for other researchers and apply the methodology to other types of hotels (*e.g.*, city, rural, spa, sport) and even other tourism areas, to compare the results obtained here. The model could also be tested in other sectors related to the industrial or services sector, as it has hardly been applied in the literature. Another limitation is that our study only addresses the perspective of hotel managers, and so future studies should analyze the perspective of the service supplier as well. The impact of the types of justice on the result or on the outsourcing success was not analyzed either, and these aspects could be considered in future studies.

Another limitation of the study is that it does not consider the antecedents of interorganizational justice and some moderator variables that can better define the model presented. By better understanding what fosters the perception of justice in hotel outsourcing relationships, new bases and ideas can be established. Many potential moderators can be investigated, some of them particularly interesting as organizational characteristics, such as cultural settings, the number and type of outsourced functions, and the duration of the relationships. An interesting future line of research is the identification and classification of the policies or contractual details that most affect the hotel manager's perception of justice. This line of research must be investigated through longitudinal studies, as these relationships undergo constant changes.

The results of this study provide evidence that justice is relevant in hotel outsourcing relationships and should be investigated in greater depth. There is a need for greater comprehension of the specific dimensions of organizational justice, as well as its antecedents, moderators, mediators, and results.

#### Appendix

#### **Procedural Justice**

JP1. Our external service providers follow fair policies when dealing with us.

JP2. Our external service providers address us with fairness and justice.

JP3. Our external service providers treat us fairly.

#### **Distributive Justice**

JD1. My hotel makes a strong contribution to the outsourcing relationships.

JD2. My hotel receives high outcomes and rewards from the outsourcing relationships.

JD3. The external service providers contribute a lot to the outsourcing relationships of this hotel.

JD4. The outsourced service providers receive high rewards or outcomes from the outsourcing relationship.

### Long-term orientation

O1. We want out relationships with outsourced service suppliers to last a long time.

O2. The renovation of our relationships with the outsourced service suppliers is practically automatic.

O3. Our relationships with the outsourced service suppliers are stable over time.

O4. The relationships with our outsourced service suppliers are long-term alliances.

## Cooperation

CO1. Our philosophy for doing business or organizing projects is quite similar to that of our external suppliers.

CO2. Our external suppliers and my hotel are always headed in the same direction.

CO3. When problems arise in the outsourcing project, we look for suitable solutions together.

CO4. In our commercial relationship, both parties respect each other completely.

## Trust

C1. The outsourced service suppliers fulfill the promises they make to the hotel.

C2. When there are problems, the outsourced service suppliers are honest with the hotel.

C3. The outsourced service suppliers are trustworthy.

C4. The outsourced service suppliers correctly perform tasks that we cannot directly control.

#### **Proactive improvement**

M1. The outsourcing suppliers even make suggestions for improvement in matters that go beyond their responsibility.

M2. When the situation changes, the outsourcing suppliers adapt the activities and processes when they find it useful and necessary.

M3. The outsourced service suppliers take initiative when suggesting improvements.

M4. External service providers show a high level of innovation.

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## **Figures and Tables**

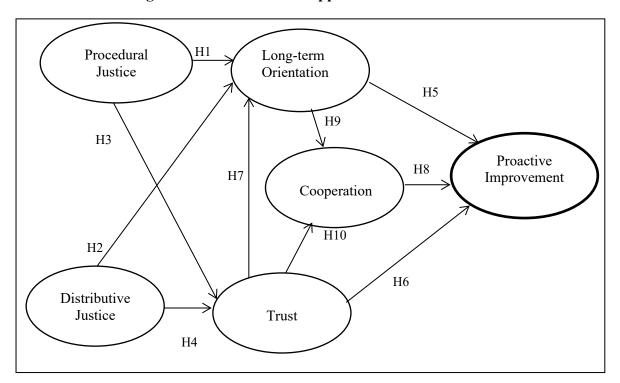


Figure 1. Research model applied to the hotel sector

Factors	Factors loading	t	Composite reliability	Extracted variance AVE	Alpha	
Procedural justice						
JP1	0.896	20.73	0.948	0.860	0.918	
JP2	0.951	55.80				
JP3	0.934	42.58				
Distributive Justice						
JD1	0.846	12.55	0.891	0.681	0.839	
JD2	0.930	30.83				
JD3	0.923	25.80				
JD4	0.540	3.70				
Trust				-		
C1	0.837	18.54	0.900	0.695	0.850	
C2	0.841	13.58				
C3	0.931	58.37				
C4	0.711	9.42				
Long-term orientation						
01	0.829	20.93	0.904	0.703	0.861	
02	0.815	12.27				
03	0.875	30.22				
O4	0.834	15.45				
Cooperation						
CO1	0.846	28.10	0.863	0.614	0.792	
CO2	0.818	18.15				
CO3	0.785	12.92				
CO4	0.676	7.70				
<b>Proactive improvement</b>						
M1	0.857	14.58	0.932	0.774	0.902	
M2	0.886	28.70				
M3	0.935	46.82				
M4	0.836	22.59				

## Table 1. Measurement validity assessment

 Table 2. Square root of the average variance extracted (AVE) and correlations matrix

Variables	1	2	3	4	5	6
1.Procedural Justice	(0.927)					
2.Distributive Justice	0.335	(0.855)				
3.Trust	0.494	0.301	(0.834)			
4.Long-term orientation	0.151	0.432	0.605	(0.838)		
5.Cooperation	0.443	0.374	0.727	0.612	(0.783)	
6.Proactive improvement	0.301	0.538	0.451	0.374	0.500	(0.880)

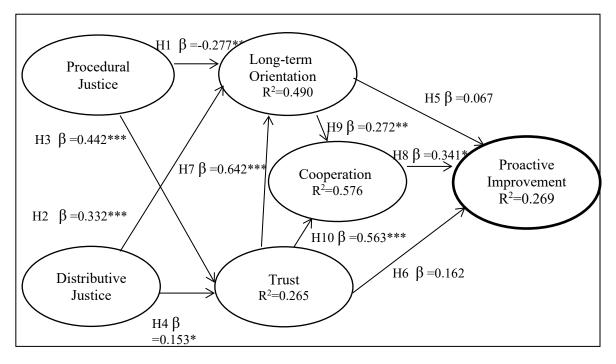
Note. The elements on the diagonal (values in parentheses represent the square root of the average variance extracted (AVE) and the values outside the diagonal represent the correlations between the constructs.

	Standardized	Structural model		
Hypotheses	Coefficients	t-valor	$(R^2; Q^2)$	
Procedural Justice $\rightarrow$ Long-term orientation	-0.277**	2.907	(49.0%; 0.295)	
Distributive Justice $\rightarrow$ Long-term orientation	0.332***	3.515		
Trust→Long term orientation	0.642***	8.249		
Procedural Justice→Trust	0.442***	5.272	(26.5%;0.163)	
Distributive Justice→Trust	0.153*	1.718		
Long-term orientation→Cooperation	0.272**	2.577	(57.6%;0.329)	
Trust→Cooperation	0.563***	5.954		
Cooperation→Proactive improvement	0.341*	2.014	(26.9%;0.162)	
Trust→Proactive improvement	0.162	1.182		
Long-term orientation→Proactive improvement	0.067	0.687		
GoF (Goodness-of-fit criterion)	0.5366			

Table 3. Results of the mediated structural model

\*\*\*p<0.001, \*\*p<0.01,\*p<0.05 based on t(4999), t(0.05, 4999)=1.6451,t(0.01, 4999)=2.3270, t(0.001,4999)= 3.091

## Figure 2. Structural model 1 (mediated by cooperation)



\*\*\*p<0.001, \*\*p<0.01,\*p<0.05

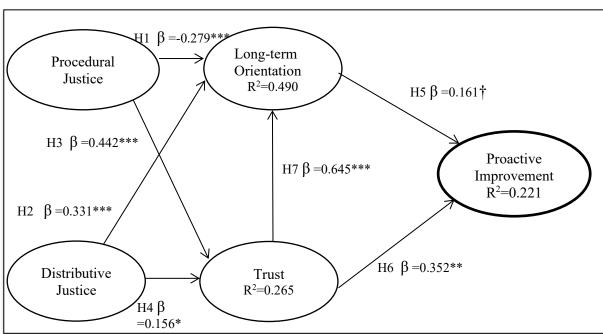


Figure 3. Structural Model 2 (not mediated by cooperation)

\*\*\*p<0.001, \*\*p<0.01,\*p<0.05 †p<0.1

	Standardized	Structural model		
Hypotheses	Coefficients	t-valor	$(R^2; Q^2)$	
Procedural Justice →Long-term orientation	-0.279**	2.973	(49.0%; 0.297)	
Distributive Justice→ Long-term orientation	0.331***	3.457		
Trust→Long term orientation	0.645***	8.224		
Procedural justice→Trust	0.442***	5.299	(26.5%;0.164)	
Distributive justice→Trust	0.156*	1.749		
Trust→Proactive improvement	0.352**	2.727	(22.10%;0.137)	
Long-term orientation→Proactive improvement	0.161†	1.377		
GoF (Goodness-of-fit criterion)		0.4913		

Table 4. Results	of the non-mediated	structural model
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\*\*\*p<0.001, \*\*p<0.01,\*p<0.05 †p<0.1 based on t (4999), t(0.05, 4999)=1.6451,t(0.01, 4999)=2.3270, t(0.001,4999)= 3.091