

TOURISM OUTSOURCING RELATIONSHIP PERFORMANCE IN THAILAND

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ABSTRACT

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In rapidly changing situations, outsourcing with good partners is the best way to meet this challenge. What makes outsourcing relationship intensity in tourism so challenging is that, in part, outsourcing relationship commitment, inter-organizational trust, and communication quality, tour businesses haven't managed systematically and are wrestling with how to make these relationships work. The study objectives are to investigate the relationship between outsourcing relationship commitment and outsourcing relationship performance, to investigate the relationship between communication quality and outsourcing relationship performance, and to investigate the relationship between inter-organizational trust and outsourcing relationship performance. The name lists of 400 tour firms in Thailand were selected based on a simple random sampling method. In the sampling process, 225 firms were confirmed by completing the questionnaires as the sample for the study. To test this research relationship, multiple regression analysis is applied. The results indicate that outsourcing relationship intensity such as inter-organization trust, communication quality, and outsourcing relationship commitment has a positive significant impact on outsourcing relationship performance. More than 50% of the respondents were conducting inbound and outbound business and had time operations of more than 5 years. According to the results, these findings highlight the effectiveness of outsourcing relationship performance between outsourcers and providers. Trust, sharing information, and responsible commitment are a solution where organizations provide effective communication services under a friendly work atmosphere to another organization for fulfilling their mutual performance needs and focusing on their core competencies. This study will serve as a guideline for tour business entrepreneurs in understanding the importance of outsourcing intensity which affects the outsourcing performance and brings these research results to apply to the organization to meet goals and increase survival organization. These study results will help to expand the outsourcing relationship intensity in the tourism field.

Keywords: Outsourcing relationship intensity; outsourcing relationship performance

1. INTRODUCTION

In the face of a global change, outsourcing has been used as an important strategy for firms that enabled the business to cope with changes and dynamic issues (Damanpour et al., 2020; Kaipia and Turkulainen, 2017; Lamminmaki, 2011; Vitasek, 2016), prevent situations affecting their business competencies, and avoid business failure (Krishnamurthy et al., 2009). Moreover, outsourcing is considered essential to achieve sustainability that needed to rely on other business abilities to cut costs and is increasingly interested in the relationship between outsourcers and providers (Freytag et al., 2012; Han et al., 2008; Ishizaka and Blakiston, 2012; Narayanana et al., 2011; Phusavat et al., 2009; Sim and Rajendran Pandian, 2007; Wang et al., 2018). It will be beneficial for the future in terms of improving knowledge from the explanation of the relationship between those two sectors, which will reach higher performance than the competitors. As a result, the issue of connecting these two sectors in the outsourcing process is considered important and should be thoroughly investigated (Hätönen and Eriksson, 2009).

Concerning the above-mentioned importance of outsourcing, studies have been conducted in both the manufacturing and service industries. In the service industry, several studies have been undertaken related to Information Technology (IT) (Shivendu et al., 2020), logistics industry, and food and beverage industry (Ogunmokun et al., 2020) whereas studies related to hotel and tour business are limited (Lam and Han, 2005; Lamminmaki, 2011; Leeman and Reynolds, 2012; Tuntrabundit and Ussahawanitchakit, 2010). In the ongoing, tour businesses should focus on the sensorial elements of their products and services to gain tourist loyalty and generate positive outcomes (Tassawa and Banjongprasert, 2019). In fact, the tourism industry has a lot of strong valued points as a major source of revenue for the country and has been increasingly earning money for the country because of the increased autonomy of its services. From this point, it is needed to keep the tourism being in its sustainable ways.

To provide organizational growth aspect, outsourcing is becoming increasingly widespread among organizations as strategic alliances. To point out that the aim of reducing weakness points in a firm is focusing on core competencies. In situations of uncertainty, firms categorize firm processes and decide on arrangements to outsource except core activities to achieve a unique competition (Quinn and Hilmer, 1994). For the resources approach, the imbalance in the possession of resources and capabilities between firms may explain the outsourcing relationship as a win-win situation for them to improve firm performance (Barney, 1991; Espino-Rodríguez and Padrón-Robaina, 2006). At this point, potential integration with outsourcing partners' capabilities is contributed by external firm capabilities that rely on external sources for value-adding activities and enhancing mutual goals. During the outsourcing process, relationship performance is developed through the quality of coordination, information sharing, risk sharing, trust, and commitment (Han et al., 2008).

Tour firms core activities are providing their services that deliver a travel experience (Tiago et al., 2021) and contracting with their suppliers, such as hotels, restaurants, airlines, and other transportation companies. The high level of outsourcing relationship intensity with partners will gain greater outsourcing relationship performance and assist tour firms in surviving. There is a pressing need for a better understanding of outsourcing relationship intensity in tour firms. In this research, the outsourcing relationship intensity has emerged including outsourcing relationship commitment, communication quality, and inter-organization trust. Therefore, outsourcing relationship commitment, communication quality, and inter-organization trust are needed to support the link of value activities for the achievement performance of tour firms.

From above, the research objectives are as follows: (1) to investigate the relationship between outsourcing relationship commitment and outsourcing relationship performance, (2) to investigate the relationship between communication quality and outsourcing relationship performance, and (3) to investigate the relationship between inter-organizational trust and outsourcing relationship performance. The research question in this research is how outsourcing relationship intensity (i.e., outsourcing relationship commitment, inter-organizational trust, and communication quality) affects outsourcing relationship performance. This study will help the outsourcing theory expand more increasingly and help the executives understand the level of outsourcing intensity that affects performance and bring this research results to apply the potential solutions.

2. LITERATURE REVIEW

2.1 Outsourcing

Outsourcing differs from other forms of collaboration such as commercial alliances, joint ventures, and so on. This is because outsourcing involves a one-way flow of resources from an external organization to an internal enterprise that is performing the outsourcing without revenue sharing during the performance period (Belcourt, 2006). The past research described that the business creates the competitive competence through

the outsourcing method by cutting costs, focusing on the core business, and spinning off the less critical operations to outside organizations. More importantly, if firms desire to generate a competitive advantage, firms could outsource everything except non-core activities to the best suppliers. In this way, firms also gain the knowledge that involves firms' activities (Quinn and Hilmer, 1994).

Outsourcing activities are based on Transaction Cost Theory (Williamson, 1981), which requires the improvement of service techniques which is unable to be created by oneself. When using outsourcing, the business will spread the risk of performance, and the cost can be reduced (Belcourt, 2006; Kakabadse and Kakabadse, 2000). Based on Resource-Based View Theory (RBV), internal resources and combined abilities are being different, scarce, and hard to be imitated by rivals, including being hard to be replaced which are the advantages of business competition (Barney, 1991). To reach the stated goals, provide quality service, and respond to the clients' needs rapidly, the firm must bring in skills and competencies from other businesses to work for it (Lankford and Parsa, 1999). Therefore, every firm that uses outsourcing is like a business that has certain resources and capabilities (from others to become its competencies), and it generates valuable results that are distinct from its competitors, resulting in superior performance (Awe et al., 2018; Holcomb and Hitt, 2007; Kroes and Ghosh, 2010).

Based on cooperation, outsourcing methods between outsourcers and providers, are about promoting cooperation and creating the relationship in a specific way without compromising. The outsourcer is not only a general provider but also a partner who differentiates the company from its competitors from the perspective of clients (Nellore and Söderquist, 2000; Wernerfelt, 1984). The relationship between outsourcers and providers can be characterized by commitment, closeness, and other skills, such as reliability, sincerity, and mutuality of goals (Han et al., 2008).

2.2 Outsourcing relationship commitment and outsourcing relationship performance

Outsourcing relationship commitment is a consistent desire to keep the relationship of mutual exchange to be the longest as possible (Moorman et al., 1993). Commitment denotes a close partnership in which business resources are shared often. It is the outsourcer's and provider's responsible commitment. This intensity is demonstrated by the long-standing relationship between the two, which provides enormous benefits to each other (Sukru Cetinkaya et al., 2014; Park et al., 2012). The tendency to maintain this relationship is similar to Allen and Meyer's (1990) concept of a heartfelt commitment. Hence, it reflects the willingness and attention to be involved with everything which is in the outsourcing process, including the outsourcing providers. The higher the affective commitment is, the more affection, satisfaction, and willingness to keep the promise, and pleasure with the outsourcing relationship are created (Han et al., 2008). The pleasure and willingness which happens is therefore an indication of the good servicing performance of the outsourcer (Sharma and Patterson, 1999).

Regarding the related literature review and commitment of both sectors mentioned above, it is shown that the commitment is related to the relationship of performance. Hence, it leads to hypothesis 1:

H1: The outsourcing relationship commitment affects the positive effect towards the outsourcing relationship performance.

2.3 Communication quality and outsourcing relationship performance

Communication means giving or sharing information technology among the organizations. Inter-communication is not only viewed as the effective relationship indicator but also as a glue that connects the business organizations (Coote et al., 2003). Communication will build confidence among outsourcers and providers and help them in recognizing their roles and responsibilities in the relationship (Dhiman and Arora, 2020). Therefore, the effect of communication is important to the relationship between the sellers and buyers (Sukru Cetinkaya et al., 2014).

In terms of communication in the outsourcing organization, there are formal and informal ways of information exchange between the two sectors. Accuracy, appropriateness according to time and context, the sufficiency of information, and credibility of information are all indicators of communication quality (Han et al., 2008). Chen et al. (2011) found that there is a similarity between qualitative communication and communication quality, and all parties must act mutually in terms of giving data and information and discussing and exchanging work plans because sharing information is regarded as a major component of performance in supply chain management. Hence, communication quality helps more clearly indicate the relationship between the two sectors. Moreover, Park et al. (2012) confirmed that communication quality is a good indicator of communication effectiveness. Effective communication is recognized as a critical component of the outsourcing process. This is because when both sectors are involved in the outsourcing process, numerous feelings such as love and satisfaction would arise. The relationship that has developed during this period is intense, and it will be difficult for outsourcers and providers to break this relationship. Hence,

improving communication quality will help outsourcers and providers better understand each other, resulting in a more positive outsourcing relationship in the future.

Concerning the related literature review involved with communication mentioned above, it indicates that communication has a relationship with performance. Therefore, it leads to hypothesis 2:

H2: Communication quality affects the positive effects toward the outsourcing relationship performance.

2.4 Inter-organization trust and outsourcing relationship performance

Trust is the explanation of psychology which indicates the mental stage which consists of willingness to accept the insecurity that may occur based on positive expectations of intention or behaviors of the other side (Rousseau et al., 1998). Hence, inter-organizational trust denotes the other organization's willingness to collaborate, be credible, and be accountable for its actions (Wu et al., 2012). Inter-organizational trust also recognizes the critical role in outsourcing relationships (Sukru Cetinkaya et al., 2014; Gainey and Klass, 2003). According to a previous study, whether or not both relationships generate trust, and whether or not the latter can acknowledge the trust given by the first depends on 1) ability, which means the ability to use all knowledge and skills to follow the commitment completely and successfully, 2) benevolence, which reflects the motivation full of mercy, kindness, including the level of mercy that a person has toward another by focusing on sincerity to make happiness to the other sector, 3) integrity: this is about the relations with normal behaviors in accordance with the ethics, regulations of the group for actions accepted by the other sector, and 4) predictability or reliability: this is an ability to predict on consistency in behaviors of the others, considered as normality of behaviors. If a person behaves in the same way, it is how the response will be (Dietz and Hartog, 2006).

Although Dietz and Hartog (2006) describe trust that exists within an organization, this study applies the concept of trust to the inter-organizational relationship in the outsourcing process. Hence, confidence in the outsourcing process has developed in the form of maintaining promises, telling the truth, and refusing to take advantage while having the opportunity (Adobor, 2005). Actions such as these indicate the intensity of outsourcing relationships, and they contribute to enhanced performance.

Therefore, the literature review related to the trust mentioned above indicates that trust is related to the performance which will lead to hypothesis 3:

H3: Inter-organization trust positively affects the performance of outsourcing relationship.

According to the previous research analysis, the outsourcing relationship intensity (comprising the components of inter-organization trust, communication quality, and outsourcing relationship) has a link with and influences the performance as shown in Figure 1. The research will be carried out using an empirical study for a sample group of tour companies in Thailand.

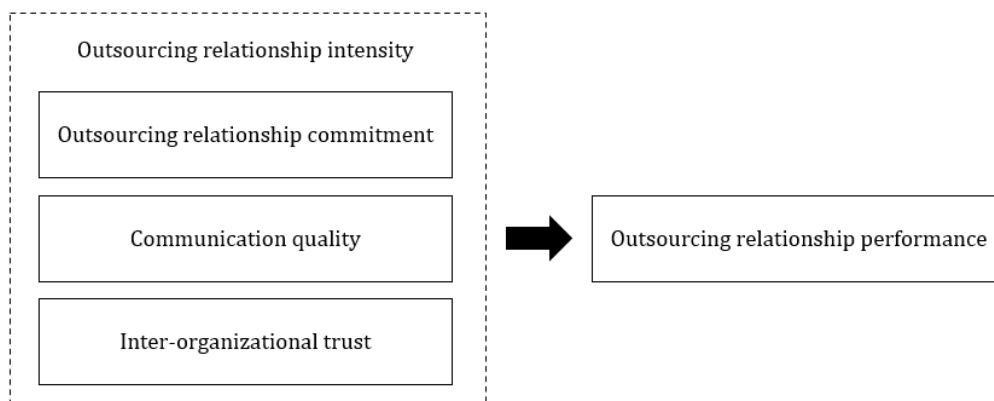


Figure 1: The Research Framework

3. METHODS

The population of this study is 3,173 tour businesses (legal entities) including travel agencies and tour operator firms from the Ministry of Tourism and Sports of Thailand. Executives and managers were chosen to serve as respondents. Since the study investigated the relationship between outsourcing intensity and outsourcing relationship performance, tour business executives and managers play a major role in outsourcing implementation.

In the survey sample size, these 3,173 tour firms (all listed firms in Thailand) were grouped and sorted in alphabetical order and assigned a serial number. Four firms with serial numbers from the table of random numbers were randomly selected for the questionnaire survey. The ratio of observation to variables is 10:1 which has also been suggested, meaning that 10 observations are made for each independent variable (Hair et al., 2010). To calculate the sample size in this study, the questionnaire with 45 items (questions) would require 450 respondents. 450 structured questionnaires were mailed to tour firms of the selected firms with a self-addressed return envelope. 225 valid questionnaires were returned, resulting in a response rate of 50%.

3.1 Data collection

Mailed questionnaires were distributed and no incentives were given. The questionnaire was accompanied by a cover letter establishing the research guidelines. The measurement of the variables comprises 45 items using a five-point Likert scale. The constructs employed in this study are as follows:

The first independent variable is communication quality. The questions included are: the organization mutually creates the plan with the outsourcers, the organization describes the details of work to make concordant understanding; the organization is not reluctant to provide the information to the outsourcers; the organization describes the advantages and disadvantages of a mutual decision; the organization supports the information for mutual work to keep finishing in time and be appropriate with the situation; the organization supports the correct and accurate information; the organization provides the complete and clear information; the organization supports the reliable information. The factor loading values from exploratory factor analysis after adjusting for rotation using the varimax method are between .698 and .868.

The second independent variable is outsourcing relationship commitment. The questions included are: the organization determines to coordinate good relationship with the outsourcers; the organization is willing to work mutually with the outsourcers further in the future; the organization will not abandon the outsourcers no matter what happens; the organization is willing to have the outsourcers to be the part of the network for mutual performance; the organization has the positive attitudes towards the outsourcers' performance; the organization expects that the relationship between the organization and the outsourcers will have been existing for a long time; the organization is willing to follow the outsourcers' request; the organization is flexible to work mutually with the outsourcers; the organization determines to improve the things which are beneficial to cooperate the good relationship with the outsourcers, etc. The factor loading values from exploratory factor analysis are between .632 and .793.

The third independent variable is inter-organization trust. The questions included are: the organization is sure that the outsourcer provides real information despite unclear description; the organization is sure that the outsourcers provide correct information; the organization is sure that the outsourcer works by dedicating its competencies and skills; the organization is sure that the outsourcer provides good reasons for recommendations; the organization is sure that the outsourcer is ready to solve the problems when being requested; the organization is sure that the outsourcer holds the principle of morals for its performance. The factor loading values from exploratory factor analysis are between .710 and .881.

Outsourcing relationship performance is a dependent variable. The questions included are: the organization feels satisfied with the consistency and in time performance of the outsourcer; the organization feels satisfied with the accuracy of performance from the outsourcer; the organization gets the service from the outsourcer as expected, the outsourcer makes the service quality of the organization better; the outsourcer helps the organization reach economic cost; the organization gets more popular when performing mutually with the outsourcer; the organization feels satisfied with the gotten benefits from the outsourcer; the organization overall achieves the purpose of outsourcing decision; etc. The factor loading values from exploratory factor analysis are between .633 and .846. In this research, the control variable is time operation (TO).

3.2 Data analysis

To verify the quality of the research instrument, content validity was conducted by professionals in the field of management and the internal consistency reliability test using Cronbach's alpha coefficient. The reliability results are as follows: outsourcing relationship commitment is .933; communication quality is .910; inter-organization trust is .951 which is higher than .70. This indicates that the questionnaire has high reliability (Hair et al., 2010). The results of Exploratory Factor Analysis (EFA) using the principal component analysis approach with varimax rotation have been reported in the .632 to .881 range. First, outsourcing relationship commitment containing 14 items has been reported in the .632 to .793 range. Next, communication quality containing 8 items has been reported in the .698 to .868 range. And inter-organization trust containing 11 items have been reported in the .710 to .881 range. The EFA results of each item of 3 independent variables are assessing validity support of the questionnaire, showing that the questionnaire can be considered for practical significance (Hair et al., 2010) (See Table 1).

Table 1: Factor Analysis and Reliability Test

Variables	Number of items	Communalities	Factor loadings	Cronbach's Alpha
Independent variables				
1. Outsourcing relationship commitment	14	.400–.629	.632–.793	.933
2. Communication quality	8	.505–.753	.698–.868	.910
3. Inter-organization trust	11	.505–.776	.710–.881	.951
Dependent variable				
Outsourcing relationship performance	12	.401–.715	.633–.846	.942

Pearson's correlation matrix and descriptive statistics are presented in Table 2. The result of the correlation matrix indicates that all variables are positively correlated. The average communication quality is 4.16; outsourcing relationship commitment is 3.19; inter-organization trust is 3.64 and outsourcing relationship performance is 3.75, respectively.

The correlation results show that all variables are linearly related and consistent with the theory. These results suggest using multiple regression and testing the hypothesis (Hair et al, 2010). Multiple regression analysis is used to analyze the data presented in Table 3. Furthermore, the variance inflation factors (VIF) range from 1.706–2.376, which is smaller than 10, as recommended by Hair et al. (2010). The VIF result suggests that all variables undetected multicollinearity and independent variables can be the remaining predicted variables in the multiple regression model.

Table 2: Pearson Correlation Matrix and Descriptive Statistics

Variables	ORP	ORC	CMQ	IOT
Time operation (control variable)	-.023	.005	-.020	-.016
Mean	3.746	3.639	4.156	3.910
Standard deviation	.773	.745	.702	.791
Outsourcing relationship performance (ORP)	1.000			
Outsourcing relationship commitment (ORC)	.617***	1.000		
Communication quality (CMQ)	.535***	.684***	1.000	
Inter-organization trust (IOT)	.789***	.635***	.508***	1.000

Note: ***, p-value < 0.001. Significant at the 0.05 level.

4. RESULTS AND DISCUSSION

Data were collected from 225 tour firms, with 83% of the respondents being legal entities. The results show the different activities outsourced by firms, with 51% of the respondents conducting inbound and outbound business. The respondents were characterized by experience: 36% of time operation respondents were between 5 and 10 years and 33% had time operations of more than 15 years.

After controlling time operation in this relationship, Table 3 results show the outsourcing relationship intensity including outsourcing relationship commitment, communication quality, and inter-organization trust effect on the outsourcing relationship performance of the tour business. This adjusted r square result in the regression model, representing outsourcing relationship intensity explained the outsourcing relationship performance of 64.7%.

Table 3: Multiple Regression Results

Variables	Coefficients		t	p-value	VIF
	B	SE.			
(Constant)	.013	.062	.209	.834	
Outsourcing relationship commitment	.122	.061	1.988	.048	2.376
Communication quality	.121	.055	2.208	.028	1.912
Inter-organization trust	.650	.052	12.545	.000	1.706
Time operation (control variable)	-.022	.080	-.273	.785	1.002
R ² = .653					
Adjusted R ² = .647					

Note: Dependent variable: Outsourcing relationship performance

The outsourcing relationship commitment positively affects outsourcing relationship performance; therefore the 1st Hypothesis is accepted. The findings of the study show that an outsourcer and provider who commit to each other for performance would have a good mutual performance (Han et al., 2008). This would have an impact on the outsourced services' ability to accomplish the desired results (Sharma and Patterson, 1999). Such research findings are based on the Relational Theory, which states that what organizations do to

maintain competitive advantages is dependent on the relationships that exist between firms (Vaxevanou and Konstantopoulos, 2015). This is in accordance with the research results about the relationship between the commitment of both organizations' executives which had a positive relationship with the outsourcing success (Alexandrova, 2012). The findings of the study show that commitment has an impact on outsourcing success in terms of financial, knowledge-related, and marketing benefits (Gupta and Sushil, 2014). The mutual agreement or contract could be the starting point for creating commitment in the relationship between the provider and the outsourcer (Kern and Willcocks, 2000).

In addition, the research results show that communication quality positively affects outsourcing relationship performance. The research results, therefore, accept the 2nd hypothesis, which states that the effectiveness of communication between the outsourcer and provider leads to information exchange, resulting in a better understanding and relationship between the two (Chen et al., 2011). This is based on technology outsourcing research by Alexandrov (2012), who showed that efficient communication has a positive relationship with outsourcing performance. The findings of the study by Abdul-Halim et al. (2014) demonstrated that communication has an impact on the success of outsourcing. Two-way communication is an effective communication form that can reduce negative performance impacts and problems caused by misunderstanding or rumors and improve the relationship between the organization and the outsourcer. Inter-organizational communication can be accomplished in several ways, including conducting training and seminars, holding meetings for mutually discussing and exchanging performance problems, and through organization announcements, etc. (Fapohunda, 2013). Communication can be done both formally and informally. A quarterly or three-month performance report, a six-month performance report, and a year's performance report are all examples of formal communication, while, informal communication includes daily meetings and discussions, which is an interpersonal reaction that promotes mutually good understanding (Kern and Willcocks, 2000). As a result, it can be concluded that a well-designed inter-organization communication is required to successfully enhance outsourcing performance.

For the final hypothesis test about the effects of inter-organization trust on outsourcing relationship performance, this research shows that the inter-organization trust has a positive effect on the outsourcing relationship performance; therefore, the third hypothesis is accepted. Furthermore, previous research findings revealed that providers' and outsourcers' trust in one another impacts outsourcing success, particularly in terms of inter-knowledge sharing (Gupta and Sushil, 2014). This is consistent with the findings of Han et al. (2008), who found that mutual working trust affects outsourcing performance, and one of the main psychological factors that affect providers' and outsourcers' performance is trust in each other. Such research findings continue to show that the more the trust between the two organizations, the greater the impact on outsourcing performance (Abdul-Halim et al., 2014; Alexandrova, 2012). Hence, the trust between organizations (partners) can be reflected in the behavioral performance, which is reliability, honesty, and being friendly with each other, which in turn, affects mutual performance (Sukru Cetinkaya et al., 2014; Dietz and Hartog, 2006; Gainey and Klass, 2003; Wu et al., 2012). Furthermore, trust is about reliability, which has an impact on mutual performance. The more trust both organizations have, the more they will enhance mutual feelings and togetherness, and be ready to work together to achieve the organization's objectives and goals (Kern and Willcocks, 2000).

5. CONCLUSIONS AND IMPLICATIONS

These research objectives are to investigate the relationship between outsourcing relationship commitment and outsourcing relationship performance, to investigate the relationship between communication quality and outsourcing relationship performance, and to investigate the relationship between inter-organizational trust and outsourcing relationship performance of the tour business in Thailand. The research results reveal that the outsourcing relationship intensity (which includes outsourcing relationship commitment, communication quality, and inter-organization trust) affects the outsourcing relationship performance. For many tour firms, outsourcing relationships are likely to grow attractive in managerial implications.

These research results are useful in providing a better understanding of how to develop a successful outsourcing relationship between tour firms' outsourcers and providers from a managerial perspective. The element of outsourcing relationship performance is generally requiring outsourcers' service quality, such as consistency, reliability, relevancy, timeliness, accuracy, and completeness. To achieve the potential benefits from this performance, tour firms have begun reducing economic costs, continuously expanding cooperative image, increasing their market share, and continuously expanding effectiveness outsourcing intensity.

This research results confirm that inter-organization trust, communication quality, and outsourcing relationship commitment affect the outsourcing relationship performance and how tour firms could be

nurtured and managed to ensure outsourcing relationship performance. Executives are interested in acquiring the performance development from the professional team which includes taking external certainly skillful organizations, developing management system to mutually cooperate and coordinate in the purposes, and goals of the organization are considered as actually crucial. Therefore, tour firms should develop intensity of inter-organization trust, communication quality, and outsourcing relationship commitment as the best way to meet this challenge in rapidly changing situations.

For inter-organization trust, a close relationship with a high level of trust between outsourcers and providers is necessary to develop relational capabilities, but it is not sufficient (Adobor, 2005). This research confirms clearly that the factors about the outsourcing relationship intensity which affect the success of outsourcing performance consist of the intention to create and maintain the inter-organization trust because the mutual performance of both organizations should be based on the sharing of information and knowledge. In terms of the knowledge-based view of strategy, it indicates that it is involved with the components of inter personnel interaction, enthusiastic conduction, and the creation of a working society that creates innovation (Takeuchi, 2013). All mentioned above are based on mutual trust caused by every level of executives such as honesty, respect, and reliability to the potentials of the outsourcer, flexibility in the management of problem-solving and undesired situations, as well as promise-keeping of both organizations toward the mutual performance under the formal agreement.

Communication quality can improve relationship quality between outsourcers and providers, share sensitive information, and lead to more collaborative participation (Han et al., 2008). Furthermore, while looking at the performance of tour business in the context of Thailand, communication within the organization and inter-organization is considered as a crucial factor determining the capabilities of outsourcing. Communication reduces role ambiguity, enhances their knowledge effectively, and establishes a quality relationship between outsourcers and providers (Dhiman and Arora, 2020). In the digital world, online communications are another sustainability communication link with websites among tour firms (Tiago et al., 2021). Therefore, good communication, which helps originate the concordant understanding and good relationships, should be determined by clear communication goals and developed through both formal and informal communication forms. The formal communication is the principle of linking each part of tasks between both organizations altogether, such as conferences and seminars, communication design through the Internet, etc. For informal communication, it is a linkage of performance behaviors between both personnel of the organizations to perform the duty effectively and become the supportive instrument to enhance the relationship of better performance. The forms of informal communication management include the support to let the organization have the space for informal discussion such as break time or mealtime, recreational activities for mutual learning, and using social media to coordinate a working group to empower the organization.

Between outsourcers and providers, there is a need for better management of loyalty which in turn leads to greater outsourcing relationship commitment, as well as for predicting future purchase frequency (Park et al., 2012; Sukru Cetinkaya et al., 2014). For building relationship commitment between outsourcers and providers, although the general goal of outsourcing focuses on creating customer satisfaction and enhancing performance, the first important thing that should be realized by the executives is clear communication and clarity of each organization's performance goals. Lee (2001) suggests that knowledge sharing is one of the major predictors of outsourcing success. Outsourcers and providers should have a clear common vision and goals for relationship performance. Before signing any agreement, executives should also listen to the goals and performance model presented by the provider to the outsourcer to coordinate the mutual understanding in any agreement. At the same time, executives should create a friendly relationship for mutual commitment at the operational level. Executives should improve and enhance the working atmosphere of friendliness. A friendly atmosphere for mutual work between the organization personnel and outsourcer can enhance the personnel to feel willingness and pleasure to work together. Ultimately, these will affect the utmost service to the customers.

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