THE FUTURE OF COMPETITIVE ADVANTAGE IN THE HOTEL INDUSTRY: ESG INITIATIVES AS A KEY DIFFERENTIATOR

KONSTANTINA K. AGORAKI, ALEXANDRA ALEXANDROPOULOU,
ELENI DIDASKALOU & DIMITRIOS A. GEORGAKELLOS
Department of Business Administration, University of Piraeus, Greece

ABSTRACT

In the highly competitive hotel industry, the integration of environmental, social, and governance (ESG) principles is rapidly evolving from a niche trend to a core element of strategic positioning. ESG initiatives are becoming pivotal in shaping the future of the hospitality sector, enabling businesses not only to contribute positively to the environment and society but also to secure and enhance their market position in a rapidly changing world. ESG initiatives have increasingly become a cornerstone for businesses seeking to secure a long-term competitive advantage in the ever-evolving global market. As consumer preferences shift towards more eco-friendly and socially responsible products and services, companies are recognising the importance of integrating sustainable practices into their operations. Gaining a competitive advantage in the hotel industry through ESG strategies involves a multifaceted approach focusing on sustainability, ethical practices and responsible governance. To this end, several dimensions and initiatives of ESG provide the framework towards this direction. The environmental sustainability pillar incorporates several initiatives, such as energy efficiency, waste reduction, and water conservation. Social responsibility highlights the significant positive externalities that could be achieved, such as community engagement, employee well-being and inclusion. The third pillar of ESG calls for decision-making that considers not only the firm's profit-maximisation principle but also the interests of various stakeholders. Adopting ESG practices offers the hotel industry a pathway to operate more sustainably and ethically while differentiating themselves in a competitive market. This forward-thinking approach is essential for hotels aiming to thrive in the future travel and tourism landscape, marking a significant step towards a more sustainable future. The present research aims to provide a critical review of the emerging concept of ESG principles as a main mechanism that the hotel industry uses to achieve sustainable competitive advantage and superior managerial performance.

Keywords: competitive advantage, ESG, ESG practices, sustainability, performance, hotel industry.

1 INTRODUCTION

Sustainability is a crucial aspect of the hotel industry, given that hotels consume substantial amounts of important resources. Such consumer and industry behaviour is linked to the broader human consumption of large amounts of natural resources to survive and maintain a good standard of living. These human activities have already led to substantial damage to the planet's ecosystems. The environmental impact of the hotel industry globally stems from the excessive consumption of non-durable resources, including water, food, energy, and paper, along with their emissions of pollutants and eco-unfriendly materials [1]–[3]. Therefore, the hotel industry today faces enormous environmental and economic pressure from domestic and international stakeholders [2], [4]. Considering the significant environmental concerns and challenges that the global hotel industry faces, the driving forces in the industry are stringent environmental regulations and increased consumer awareness around environmental protection and sustainability. Within this framework, the adoption of ESG principles is at the centre of hotel strategies to gain a green competitive advantage and green core competence. It is well documented that sustainability is the outcome of several factors, including: (a) economic practices; (b) environmental practices; and (c) social practices.

www.witpress.com, ISSN 1743-3541 (on-line)
doi:10.2495/ST240041

Empirical evidence on the relationship between sustainability and hotel performance provides substantial support for a positive impact of ESG practices on hotel performance [5]–[8]. However, there are also studies that show a negative relationship between sustainability and hotel performance.

A study by Thomson Reuters [9] shows that 71% of C-suite and functional leaders strongly believe that ESG considerations will be a key feature in the hotel industry in the years to come. ESG factors appear to be in the front-and-centre for today's hotel customers. These customers carefully investigate not just the amenities that a hotel offers, but also its carbon footprint, community engagement, and other ethical practices. Therefore, hotel customers significantly value the ESG practices that a hotel adopts when choosing their hotel accommodation. Many hospitality groups have adopted policies to address environmental concerns and meet investors' attitudes toward investing in environmentally friendly hotels, making ESG a major part of their businesses. This approach will influence how they invest moving forward and give them a green advantage over their competitors in the hotel industry. A study published by JLL Research [10] reported that in 2009, Hilton developed their in-house award-winning system named LightStay to report on ESG. Within this initiative, the Hilton group announced its commitment to reducing emissions by 61% by 2030 in accordance with the 2015 Paris Agreement. Furthermore, in 2020, most hotels managed by the Hilton Group in the United Kingdom started using 100% renewable electricity.

In the same vein, in 2021, IHG Hotels and Resorts launched a programme to adopt ESG goals. The initiative, named 'Journey to Tomorrow', aimed to develop a framework of ESG principles and commitments to make a positive impact on customers, communities, and the earth up to 2030. Moreover, the group launched the 'IHG Green Engage' programme, which provides the hotel brand with tools to develop and track specific goals for dramatically reducing carbon, energy, water, and waste. Similarly, recognising the green competitive advantage that adopting ESG principles could offer green competitive advantages to its hotel chain. The Radisson Group Hotel Group has set a target to reduce the carbon footprint and water consumption of all its hospitality units by 10% in 2022 and 30% by 2025. Additionally, organisations such as the Sustainability Hospitality Alliance and the Energy and Environment have launched several ESG programmes to assist the hospitality industry in achieving their sustainability goals, with an immediate priority on achieving faster carbon reduction in the hotel industry [10].

The urgent need for sustainability in the hotel industry is greatly linked to the significant shift in consumer behaviour and values. Increased awareness of the negative effects of climate change, along with behavioural changes such as recycling, consuming locally produced goods and reducing plastic usage, has become the norm. For the hotel sector to maximise the value that can be achieved from sustainable operations and buildings, it is crucial to understand the complexity of owning and operating hotels as well as the operational and development challenges the industry faces [10]. The growing importance of ESG practices in the hotel industry is highlighted in a study by Vuram [11], which argues that a commitment to ESG principles can provide a competitive advantage for the hospitality sector. Hotels that promote sustainability will be able to attract eco-friendly and environmentally concerned customers and travellers, leading to the creation of new brand loyalty and a competitive advantage in a crowded industry. Thus, ESG can operate as a crucial differentiator. Within this framework a hotel chain which has designed a clear sustainability project will attract eco-conscious travellers leading to greater brand loyalty and the potential to implement premium pricing. Conversely, hotels that have not developed a clear sustainability strategy, risk losing environmentally aware customers. Hotels that prioritise ESG practices can enhance their brand reputation. As consumers become more eco-conscious, they are likely to prefer hotels with strong ESG commitments. This preference can translate into increased customer loyalty and higher occupancy rates.

The focus of hotels in their strategy for sustainability is on different pillars: investment in renewable energy systems to reduce carbon emissions, alternative techniques of minimising food waste like composting and vital recycling programs, and community engagement. The targeted sustainability mission and application of ESG principles by hotels will give unprecedented benefits in gaining an improved brand reputation, cost-saving, talent attraction, risk mitigation, and fostering innovation. In particular, Vuram [11] stated that hotels that have actively developed and adopted ESG principles gain immense visibility as sustainability leaders with goodwill in the media while fostering a loyal customer base. Cost savings arise from energy saving and waste reduction, coupled with streamlined operations that reduce operating costs, increase competitive advantage, and boost financial performance. This further turns into the motivation for young and talented potential employees to work for sustainably responsible firms. Furthermore, it assists hotels in reducing business risk with the investment in water-efficient machines and ethical suppliers while also reducing the risk of facing supply chain disruptions related to labour exploitation and environmental damage in its network of suppliers. Finally, from using ESG strategies, hotels could also realise innovative solutions, enhancements to processes, and revenue generation. In a nutshell, the cost-saving potential of implementing ESG principles allows hotels that invest in energy-saving technologies, waste-reduction programs, and water conservation measures to save on their operational costs.

In a nutshell, a set of important ESG strategies in hospitality could lead to substantial competitive advantage, as proposed by Raub [12]. First, cost leadership strategies which focus on reducing the cost of production of goods and services, giving a hotel a competitive advantage over competitors that do not consider sustainable development a critical element in promoting their business. Second, differentiation strategies, focus on adding quality attitudes to the product or service that competitors cannot offer. Therefore, hoteliers face an important question: Do you consider sustainability as the main channel to gain a competitive advantage over your competitors? A study that included 200 hotels from France and the French-speaking parts of Switzerland provided a list of 30 sustainability actions, and hotel management was asked to evaluate them in terms of their potential to contribute to a cost leadership and/or differentiation strategy [12]. Based on the responses of the hotel managers, the most important sustainability actions leading to potential cost leadership are energy-related issues, as well as water saving and waste reduction. By contrast, the assessment from a differentiation strategy perspective concludes that the highest priorities are waste-related topics, actions related to economic sustainability, and social and labour market issues.

The aim of this paper is to provide a critical review of the recent literature on the relationship between sustainability, competitive advantage and performance in the hotel industry. We complement our analysis with suggestions for future research.

2 LITERATURE REVIEW

The relationship between sustainability, competitive advantage, and performance has become a critical issue for the global hotel industry over the last decade. According to Attila [13], Jurigová and Lencsésová [14] and Jurigová et al. [15], sustainability is a crucial element for improving the competitiveness of the hotel industry. As previously discussed, investing in sustainability and adopting ESG practices can enhance hotel performance. Three alternative theoretical approaches have been proposed to explain the potential relationship between sustainability activities, competitive advantage, and hotel performance: instrumental theory, political theory, and normative theory. Each of these theoretical approaches explains different elements of this relationship, indicating that no unified theory exists.

The first theoretical framework, instrumental theory, is a resource-based approach. It argues that firms implementing ESG practices can obtain cost and differentiation competitive advantages through the acquisition and development of resources and capabilities, providing the basis for developing a product and/or service that is difficult for competitors to replicate [8]. Peloza and Papania [16] suggest that hotel chains or individual hotels can choose sustainability activities that lead to competitive advantage through cost reductions, such as energy efficiency practices. Additionally, to satisfy stakeholders' demands, hotel top management can adopt sustainability practices that result in differentiation competitive advantage. Fernández-Gámez et al. [17] highlights cause-related marketing, which can generate reputational benefits by linking the socially responsible values shared by guests and supply chain intermediaries with a hotel brand.

Political theories provide the second theoretical approach to the examined relationship. The political approach considers sustainability as an organisation's response to stakeholder expectations (self-fulfilling expectation theory). There are alternative competing theories within this framework. Farha et al. [18] follow the institutional approach, which views sustainability as a source of legitimacy and reputation among stakeholders. Alternatively, the stakeholder theory emphasises the positive link between sustainability and hotel financial performance [5], [6]. Streimikiene and Ahmed [19] and Holotová et al. [20] argue that a hotel's performance can improve legitimacy and reputation with customers. Farooq et al. [21] suggest that hotel performance through the adoption of green human resource management and self-efficacy facilitates green creativity. Ahmed et al. [22] and Pham et al. [23] also note that employee loyalty and a commitment to achieving objectives can improve organisational performance.

Normative theories provide the third theoretical approach to the issue under investigation. This value-based theory considers sustainability as a moral issue and duty for both producers and consumers. For the hotel industry, it is argued that hotels implementing ESG strategies have a broader responsibility to the hotel company itself, its stakeholders, and the earth as a whole [24]. Within this normative approach, the slack theory has been developed, arguing that hotel management deliberately allocates resources toward sustainability rather than other activities that do not promote Sustainable Development Goals (SDGs) [25]. Another normative theory, the synergy theory, highlights the existence of a circular feedback loop of ESG practices impacting hotel performance. Coupled with the provisions of the slack resources theory, hotel managers might be inclined to develop and adopt sustainability practices [26]. However, Moneva et al. [27] found that higher financial performance leads to lower sustainability commitment, arguing against the slack resources theory. Moneva et al. [27] suggest there is no evidence of a positive relationship between sustainability and financial performance, indicating that a hotel's decision to adopt sustainability practices is independent of its corporate financial performance. Finally, Singal [28] found that small, family-owned hotels with limited financial access do not invest in sustainability, which could harm their long-term survival.

In the context of hotel operations, sustainability is focused on increasing operating efficiency and lowering costs while boosting attraction and retention among customers. Hotels undertake numerous activities to fulfil these objectives, such as energy efficiency programs, water conservation measures, and waste reduction strategies. Moreover, sustainability practices play a crucial role in attracting a segment of environmentally conscious travellers and building a brand reputation and competitiveness.

There is ample empirical evidence on the impact of sustainability on competitive advantage and performance in the hotel industry. From the slack resources theory perspective, Waddock and Graves [25] argue that hotels attaining high organisational performance levels will invest more resources in ESG practices. The synergy theory posits that hotel companies investing in sustainability are often more profitable due to the positive relationship between sustainability and financial performance [26]. However, Theodoulidis et al. [6], Moneva et al. [27], González-Rodríguez et al. [29], Haldorai et al. [30] and Umrani et al. [31] argue that the positive relationship between sustainability and performance depends on the attained level of company performance. Environmentally and socially responsible hotels can, therefore, stand out in this crowded market space, make premium pricing possible, and ensure greater customer loyalty. Moreover, it results in better engagement of employees and the attraction of more talent because people are more motivated and attached to organisations whose purposes coincide with their values in striving for a positive change in society and the environment.

Recently, Pereira-Moliner et al. [32] further investigated the relationship between sustainability, competitive advantage, and performance in the hotel industry. They analysed the influence of sustainability on cost and differentiation competitive advantages and investigated the potential synergy between sustainability and performance. Using data from 3-, 4-, and 5-star hotels in Spain, they employed perceptual and hotel-specific objective performance measurements such as occupancy rate, average daily rate, and revenue per available room. The empirical analysis was conducted by estimating structural equation models with Partial Least Squares (PLS-SEM). Their findings indicate a positive and statistically significant impact of sustainability practices on cost and differentiation advantages, perceptual performance, average daily rate, and revenue per available room. Furthermore, the analysis documented that hotels with these three performance variables above the median experienced a positive and significant relationship between sustainability and performance. Pereira-Moliner et al. [32] argue that their results support the existence of a synergistic sustainability–performance relationship in the hotel industry. An important aspect of this analysis is that contrary to previous research focusing solely on environmental sustainability, Pereira-Moliner et al. [32] also consider the effects of economic and social sustainability.

Kuo et al. [1] focus on a related issue: how the adoption of sustainability practices through various environmental regulations leads to the implementation of proactive environmental strategies in the hotel industry. They analyse the channels through which ESG strategies foster eco-innovation, green competitive advantage, and green core competence. Using a sample of 366 hotel manager responses, their findings show that proactive environmental strategies positively influence eco-innovation, which in turn directly affects green competitive advantage. However, there was no significant statistical evidence of any effect from eco-innovation on green core competence. The managerial implications of Kuo et al. [1] suggest that hotel companies must adopt new technologies to become more innovative and meet increasing environmental demands and green competitive strategies. Furthermore, the results provide an understanding of eco-innovation’s impact on guest satisfaction and hotel image, building brand loyalty.

Asante [33] developed conceptual models to clarify hotels’ green leadership and its non-homogeneous effect on employee pro-environmental behaviour in the hospitality industry. The study employed data from managers and employees in Ghana’s hotel industry, based on person–organisation fit and norm activation theory. Two psychosocial antecedents, value congruence and moral consciousness, mediated the unexplained variations between green leadership and employee pro-environmental behaviour. Using PLS-SEM methodology, the empirical analysis found strong evidence of the interactive role that moral consciousness plays in employee behavioural outcomes, highlighting its significance in stimulating pro-environmental behaviour among employees in the hospitality sector. Bodhanwala and Bodhanwala [34] explore the relationship between sustainability and firm performance in the travel and tourism industry. Specifically, the authors investigate the relationship between aggregate and individual dimensions of sustainability and financial and stock market performances of firms in the travel and tourism industry (TTI) across different geographies. The analysis is conducted by estimating a multivariate panel data model using data on 146 travel and tourism industry firms that have consistently obtained ESG ratings over the period 2011–2017. Moreover, Bodhanwala and Bodhanwala [34] find that among the transportation, hotel and leisure industries, the hotel industry has the highest ESG compliance. Furthermore, the analysis shows that although agency and stakeholder theories predict that all ESG components should have significant positive effect on financial and stock market performance, each dimension has a different impact on financial performance and market value in the tourism industry. From an investment perspective, sustainability significantly enhances the attractiveness, long-term value, and resilience of hotels. Investors are increasingly prioritising properties that adopt ESG principles, viewing them as less risky and more likely to deliver stable returns in the face of environmental and regulatory challenges. Sustainable hotels are perceived to have a better long-term value due to their ability to comply with stringent environmental regulations, attract eco-conscious consumers, and avoid penalties associated with non-compliance.

Finally, Trabandt et al. [35] introduce hedonic appeals to encourage guests to reduce their room cleaning requests. This strategy is linked to the hotel industry's search for methods to reduce its adverse environmental impact and gain a green competitive advantage. Combining a field experiment at a European hotel and a laboratory experiment, Trabandt et al. [35] provide evidence supporting the proposed effects and explanatory mechanisms. They also demonstrate that the newly designed strategy using hedonic appeals is the most profitable by implementing a profitability index that includes room cleaning requests, monetary investments, and side effects. Therefore, Trabandt et al. [35] argue that hotels should adopt this cost-effective strategy to reduce room cleaning requests without affecting overall guest satisfaction, thereby providing a competitive advantage.

To summarise, ESG practices help mitigate various risks, including those related to supply chain disruptions, labour exploitation, and environmental damage, thereby ensuring financial stability and attractiveness to investors. As a result, hotels that invest in sustainable technologies and ethical practices are better positioned to achieve long-term success and resilience in the competitive hospitality market.

3 CONCLUSIONS AND FUTURE RESEARCH

The present paper discusses the recent literature on the relationship between sustainability, competitive advantage and performance in the hotel industry. This relationship has only recently been studied in the context of the hotel industry; therefore, we provide a review of the emerging analysis of this relationship. Based on the literature discussed, it is clear that there is a positive and statistically significant link between sustainability and cost and differentiation competitive advantages. Furthermore, we presented alternative theoretical approaches that offer explanations for the existence of this important link, namely instrumental theories, political theories, and normative theories.

Given that the study of the relationship between sustainability, competitive advantage, and performance in the hotel industry is still in its early stages, future research could consider short- and long-term performance measurements specifically developed for the hotel sector.

This will help analyse whether sustainability practices have a positive impact on performance and competitive advantage. Additionally, the inclusion of mediating or moderating variables could provide further insights into this baseline relationship.

In addition to the theoretical and empirical insights provided, it is crucial for future studies to explore the practical implications of these findings for hotel managers and policymakers. Understanding the sustainability practices that drive competitive advantage may help hotel managers as well as policymakers to allocate resources more effectively and devise strategies that align with overall business goals, while provide incentives that would further encourage sustainability adoption in the hospitality industry. Nevertheless, the role of technological advancement in enhancing this sustainability–performance link needs to be studied. The technologies of energy-efficient systems, along with waste management solutions, would be one of the most impacting solutions toward the effectiveness of sustainability initiatives.

A future research area deals with regional differences in the relationship between sustainability and performance. Factors such as cultural attitudes toward sustainability, local regulation, and market demand tend to be significantly different across various geographical regions. Comparative studies, further analysing these regional variations, can hopefully bring more of the context in which sustainability practices affect competitive advantage and performance. Finally, it is necessary to conduct longitudinal studies to track the long-term effects of sustainability practices on hotel performance. Therefore, such studies can provide insights into the strategies for sustainability that tend to realise more benefits across time and recognise possible trade-offs or challenges that could be linked to maintaining sustainable operations across time.

In conclusion, the relationship between sustainability, competitive advantage, and performance in the hotel industry is complex and an evolving area of research. Such areas of gaps may be addressed, with subsequent studies contributing to more conclusive results on how sustainability practices lead toward long-term success in the hospitality sector.

REFERENCES

[1] Kuo, F.-I., Fang, W.-T. & LePage, B.A., Proactive environmental strategies in the hotel innovation, green competitive advantage, and green core competence. *Journal of Sustainable Tourism*, **30**, pp. 1240–1261, 2022.

[2] Aboelmaged, M., Direct and indirect effects of eco-innovation, environmental orientation and supplier collaboration on hotel performance: An empirical study. *Journal of Cleaner Production*, **184**, pp. 537–549, 2018.

[3] Fang, S., Zhang, C. & Li, Y., Physical attractiveness of service employees and customer engagement in tourism industry. *Annals of Tourism Research*, **80**, 102756, 2020.

[4] Wang, Y., Font, X. & Liu, J., Antecedents, mediation effects and outcomes of hotel eco-innovation practice. *International Journal of Hospitality Management*, **85**, 102345, 2020.

[5] Ghaderi, Z., Mirzapour, M., Henderson, J.C. & Richardson, S., Corporate social responsibility and hotel performance: A view from Tehran, Iran. *Tourism Management Perspectives*, **29**, pp. 41–47, 2019.

[6] Theodoulidis, B., Diaz, D., Crotto, F. & Rancati, E., Exploring corporate social responsibility and financial performance through stakeholder theory in the tourism industries. *Tourism Management*, **62**, pp. 173–188, 2017.

[7] Garay, L. & Font, X., Doing good to do well? Corporate social responsibility reasons, practices and impacts in small and medium accommodation enterprises. *International Journal of Hospitality Management*, **31**, pp. 329–337, 2012.

[8] Garay, L. & Font, X., Corporate social responsibility in tourism small and medium enterprises evidence from Europe and Latin America. *Tourism Management Perspectives*, **7**, pp. 38–46, 2013.
[9] Thomson Reuters, The 2023 State of Corporate ESG: How companies are embracing ESG for resilience and growth. https://www.thomsonreuters.com/en-us/posts/esg/state-of-corporate-esg-report-2023/. Accessed on: 20 Apr. 2024.
[10] JLL Research, ESG at the heart of hotel strategies. Report, Sep. 2021.
[11] Vuram, WNS Vuram, 2024. The growing importance of ESG practices in the hotel industry. https://www.vuram.com/blog/esg-in-hotel-industry/. Accessed on: 20 Apr. 2024.
[12] Raub, S., *Sustainable Actions in Hospitality: A Driver for Competitive Advantage*, 2022.
[13] Attila, A.T., The impact of the hotel industry on the competitiveness of tourism destinations in Hungary. *Journal of Competitiveness*, **8**(4), pp. 85–104, 2016.
[14] Jurigová, Z. & Lencsésová, Z., Monitoring system of sustainable development in cultural and mountain tourism destinations. *Journal of Competitiveness*, 2015.
[15] Jurigová, Z., Tucková, Z. & Kuncová, M., Economic sustainability as a future phenomenon: Moving towards a sustainable hotel industry. *Journal of Security and Sustainability*, **6**(1), pp. 103–112, 2016.
[16] Peloza, J. & Papania, L., The missing link between corporate social responsibility and financial performance: Stakeholder salience and identification. *Corporate Reputation Review*, **11**, pp. 169–181, 2008.
[17] Fernández-Gámez, M.Á., Gutiérrez-Ruiz, A.M., Becerra-Vicario, R. & Ruiz-Palomo, D., The impact of creating shared value on hotels online reputation. *Corporate Social Responsibility and Environmental Management*, **27**(5), pp. 2201–2211, 2020.
[18] Farha, A.K.A., Al-Kwifi, O.S. & Ahmed, Z.U., Deploying partial least squares to investigate the influence of managerial assumptions on corporate social responsibility in the hotel industry. *Journal of Hospitality and Tourism Technology*, **9**(3), pp. 471–486, 2018.
[19] Streimikiene, D. & Ahmed, R.R., The integration of corporate social responsibility and marketing concepts as a business strategy: Evidence from SEM-based multivariate and Toda-Yamamoto causality models. *Oeconomia Copernicana*, **12**(1), pp. 125–157, 2021.
[20] Holotová, M., Nagyová, Ľ. & Holota, T., The impact of environmental responsibility on changing consumer behaviour-sustainable market in Slovakia. *Economics and Sociology*, **13**(3), pp. 84–96, 2020.
[21] Farooq, R., Zhang, Z., Talwar, S. & Dhir, A., Do green human resource management and self-efficacy facilitate green creativity? A study of luxury hotels and resorts. *Journal of Sustainable Tourism*, pp. 1–22, 2021.
[22] Ahmed, U., AlZgool, M.D.H. & Shah, S.M.M., The impact of green human resource practices on environmental sustainability. *Polish Journal of Management Studies*, **20**(1), pp. 9–18, 2019.
[23] Pham, N.T., Chiappetta Jabbour, C.J., Vo-Thanh, T., Huynh, T.L.D. & Santos, C., Greening hotels: Does motivating hotel employees promote in-role green performance? The role of culture. *Journal of Sustainable Tourism*, pp. 1–20, 2020.
[24] Font, X., Garay, L. & Jones, S., A social cognitive theory of sustainability empathy. *Annals of Tourism Research*, **58**, pp. 65–80, 2016.
[25] Waddock, S.A. & Graves, S.B., The corporate social performance–financial performance link. *Strategic Management Journal*, **18**(4), pp. 303–319, 1997.

[26] Calveras, A., Corporate social responsibility strategy in the hotel industry: Evidence from the Balearic Islands. *International Journal of Tourism Research*, **17**, pp. 399–408, 2015.

[27] Moneva, J.M., Bonilla-Priego, M.J. & Ortas, E., Corporate social responsibility and organisational performance in the tourism sector. *Journal of Sustainable Tourism*, **28**(6), pp. 853–872, 2020.

[28] Singal, M., The link between firm financial performance and investment in sustainability initiatives. *Cornell Hospitality Quarterly*, **55**(1), pp. 19–30, 2014.

[29] González-Rodríguez, M.R., Martín-Samper, R.C., Köseoglu, M.A. & Okumus, F., Hotels' corporate social responsibility practices, organizational culture, firm reputation, and performance. *Journal of Sustainable Tourism*, **27**(3), pp. 398–419, 2019.

[30] Haldorai, K., Kim, W.G. & Garcia, R.F., Top management green commitment and green intellectual capital as enablers of hotel environmental performance: The mediating role of green human resource management. *Tourism Management*, **88**, 104431, 2022.

[31] Umrani, W.A., Channa, N.A., Yousaf, A., Ahmed, U., Pahi, M.H. & Ramayah, T., Greening the workforce to achieve environmental performance in hotel industry: A serial mediation model. *Journal of Hospitality and Tourism Management*, **44**, pp. 50–60, 2020.

[32] Pereira-Moliner, J., López-Gamero, M.D., Font, X., Molina-Azorín, J.F., Tarí, J.J. & Pertusa-Ortega, E.M., Sustainability, competitive advantages and performance in the hotel industry: A synergistic relationship. *Journal of Tourism and Services*, **12**(23), pp. 132–149, 2021.

[33] Asante, K.W., Hotels' green leadership and employee pro-environmental behaviour, the role of value congruence and moral consciousness: evidence from symmetrical and asymmetrical approaches. *Journal of Tourism Management*, pp. 1–22, 2023.

[34] Bodhanwala, S. & Bodhanwala, R., Exploring relationship between sustainability and firm performance in travel and tourism industry: A global evidence. *Social Responsibility Journal*, **18**, pp. 1251–1269, 2022.

[35] Trabandt, M., Lasarov, W. & Viglia, G., It's a pleasure to stay sustainably: Leveraging hedonic appeals in tourism and hospitality. *Tourism Management*, **103**, 104907, 2024.