Original Article


Nguyen Thi Phuong Thao*

National Economics University, 207 Giai Phong, Hai Ba Trung Dist., Hanoi, Vietnam

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Abstract: The purpose of this research is to propose a conceptual model for factors affecting decisions on application of green practices in accommodation businesses in Vietnam. Through reviewing and evaluating the content of previous research, the model will provide an integrated perspective for researchers to experimentally test the relationships between external factors (institutional pressure), internal factors (motivation and environmental attitude of the upper managers) and the adoption of green practices in hospitality businesses. Although the model is expected to contribute to the literature when studying corporate social responsibility, the author suggests that an empirical research should be done to confirm the relationship of the variables in the model or changes (if any) to adapt to the research context in transitional economies such as that of Vietnam.

Keywords: Hospitality, green practices, the institutional pressure, environmental attitude of upper managers, motivation.

1. Introduction

Sustainable development was first mentioned in the “Our Shared Future” report (Brundtland report) of the World Council on Environment and Development (WCED) in 1987 [1]. Specifically it is understood that sustainable development helps to satisfy the needs of the current generation while protecting available resources and ensuring the ability to meet the needs of future generations. Going green - is an aspect of sustainable development, which is the process of developing towards the goal of minimizing the impact on the

*Corresponding author
E-mail address: thaonp1905@gmail.com
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The research on behavioral science and sustainability issues is primarily focused on the manufacturing industry. One of the reasons may be that the impact of service industries (for example, the hospitality industry) on the environment is not evident [3]. Therefore, these industries are often under less pressure, and their environmental actions are also slower than those of manufacturing industries [4]. However, the hospitality industry largely depends on the physical environment in which it operates. There are even resorts that have taken advantage of natural resources to become unique points in their products. As a result, the accommodation business has increased the threat to the environment through the consumption of large amounts of energy, water, and other non-renewable resources [5]. According to Burke (2007), the consumption of natural resources to satisfy tourist needs is three times higher than the average daily use of the local people [6]. On the other hand, the operation of a hotel business also often comes with many different environmental impacts such as environmental degradation, water pollution, etc. [7].

The previous studies have shown that accommodation establishments should engage in environmental practices to enhance their economic, social and environmental performance [7-11]. However, most authors consider environmentally friendly behavior from a specific perspective/theory leading to limited predictability of actual ecological activities of these studies. Specifically, scholars have not clearly shown the difference between motivations or clearly explained contexts or the factors that could lead to these motivations. Two companies or two environmental practices are rarely identical; the selective selection implies that a firm applies some environmental measures, not all, or other measures with similar characteristics. On the other hand, different firms in the same industry may have dissimilar responses to a certain policy/solution [12]. It is therefore necessary to study the going green decision-making process in the accommodation business to develop a model that identifies specific types of incentives and their respective contexts, as well as the results associated with each impact factor.

Although in recent years, the trend of studying environmental protection behavior of enterprises has attracted many scholars, most of the research was done in European and developed countries [13]. Very little research has taken place in developing countries, and especially in transition economies or emerging markets like Vietnam. Economic instability and sometimes social instability in transition economies create ambiguity and uncertainty, thus the transition between formal and informal institutions is a problem [14]. Formal institutions still play an important role in transition economies. On the other hand, the majority of businesses operating in emerging markets are still young and have limited resources; therefore, decision-making in these firms will also differ from firms in other developed countries [15]. According to the author's previous research [16], the number of accommodation establishments in Vietnam that are recognized as environmentally friendly is very limited and most of them are located in big cities and famous destinations, namely Hanoi, Ho Chi Minh, Da Nang. Small hotels, which make up the majority of Vietnam's accommodation industry, do not really care about environmental protection. Some studies have also shown that the environmental practices carried out in Vietnamese hotels are often fragmented, not synchronized. Most of them only solve surface problems and are mainly for economic purposes, specifically cutting costs [17, 18]. Only a few hotels have taken more drastic measures such as setting up waste management systems or installing high-tech equipment to reduce energy consumption.

This research is completely based on secondary data collected from various sources and databases such as Science Direct and Google Scholar, by using the following keywords: green hotel, environmental practices, motives, the upper echelons theory, the neo-institutional
theory. Accordingly, 46 publications were found relevant and applicable for this study. Next, a systematic review and content analysis was carried out to propose a conceptual framework to study behaviors of accommodation establishments in the context of sustainable development of the hospitality industry, towards being more environmentally friendly. The structure of this paper consists of two parts: The first part is a theoretical review of related issues such as theories of explaining corporate behaviors and factors affecting decisions on applying green practices. And in the conclusion, the research will discuss the contribution of this conceptual model for further researches, and suggest possible research approaches in the future.

2. Theoretical background

2.1. Green hotels and green practices in the accommodation business.

Green hotels are often known as environmentally friendly hotels, or eco-hotels. According to the Green Hotel Association, a green hotel is an accommodation establishment concerned with the environment, participating in water and energy conservation and waste reduction programs. Jackson (2010) after analyzing the green hotel concepts in the previous papers, proposes a definition as follows: Green hotels are accommodation establishments making efforts and actions to minimize, improve, and eliminate the negative environmental impacts of accommodation operation [19]. Similarly, Millar and Baloglu (2011) also assume that any hotel that is willing to take environmentally responsible action is considered as a green hotel [20]. From these definitions, we can see that the authors all agree that the connotation of the concept of “green” is environmental protection or being friendly with the environment. As such, a basic prerequisite for an accommodation establishment to be recognized as green or eco-friendly is the commitment and implementation of measures to minimize negative environmental impacts.

“Green practice” is the term used to describe environmental protection measures. Starting from different perspectives, researchers have given many different definitions of environmental protection and environmental measures. Manaktola and Jauhari (2007) consider green practices as commitments of businesses to limit the environmental impact by such actions as conserving energy, saving water and reducing solid waste [21]. Montabon, Sroufe (2007) define green practices including techniques, policies or procedures applied in an enterprise’s business operations to minimize its impact on the environment [22]. From a strategic point of view, Kim, Lee (2017) defines green practice as a business strategy adding value to hotels engaging in environmental practices [10]. Although each scholar gives his or her point of view, they all agree that the goal of green practices is to reduce the impacts of business processes on the surrounding environment. These measures aim at various specific issues such as energy efficiency, water conservation, pollution prevention, reuse and recycling programs, etc., or pratices on policies and procedures. Secondly, green practices must be associated with the daily business operations of enterprises, and be carried out regularly.

Green practices in the accommodation business are generally divided into: operational practices (or technical practices) and organizational practices (also known as system practices) [23-25]. Operational practices are understood as activities that change the production system, and products of enterprises. Such practices will have a direct impact, and reduce the negative effects of business operations on the natural environment. Operational practices are generally grouped into three main areas: water conservation, energy saving and waste management [26]. Other than operational practices, system practices do not directly reduce a hotel’s negative environmental impacts, but their aim is to support operational practices efficiently. Common system practices
are: to issue an environmental management policy, establish an environmental audit and reporting system, develop a team caring environmental issues in the hotel, or training programs for staff [7, 9, 23, 27, 28].

2.2. Upper echelon theory model

A decision is generally understood as a course of action deliberately selected from a set of alternatives to achieve organizational goals. Decisions are generally classified into operational decisions – related to the management of day-to-day professional affairs, and strategic decisions – related to long-term organizational policy and direction [29]. Strategic decisions are made by top management through self-rational processes and are influenced by their value system.

The Upper Echelons Theory - of Hambrick and Mason (1984) explains the role of top managers in choosing the organization's strategy based on two basic arguments [30]. Firstly, through exercising their management authority, business managers have a significant influence to make development decisions and allocate the necessary resources to execute their business strategies and business operations effectively. Decisions are made by managers based on their interpretations of the problem or situation occurring with the business. Secondly, the interpretation of problems for each individual is often not the same, but depends on both objective factors (inside and outside the business) and subjective factors such as perception, and experience [31]. Accordingly, although strategic decisions are made by managers on behalf of businesses, such decisions reflect their values, beliefs and personal worldview. In other words, personal characteristics are not only the basis of a manager’s attitude about issues, but also directly influence the company’s decisions [30]. In the same context, the actions of firms will vary, depending on the manager’s assessment of external actors and the extent of its influence. When managers’ attitudes and perceptions about strategic issues in the business are positive, it will motivate them to make decisions [32].

Environmental protection is a long-term strategy, formulated by managers, so it is influenced by their attitudes on environmental issues. In other words, based on their worldview, managers see environmental issues as threats or opportunities from which to make corporate commitments on environmental management [33]. In service industries such as the
accommodation industry, with large product differentiation and less pressure from regulations, the power of senior management becomes even more prominent [34]. Studying the impact of the manager role not only fills a theoretical gap but can also help explain contradictions in previous studies. Accordingly, the author relies on the upper echelon theory, combined with decision-making models, taking into account the impact of organizational characteristics and external factors to explain the factors affecting the decision to apply environmentally friendly measures in the hotel business.

2.3. Factors affecting decisions on applying green practices

Although environmental practices are defined as actions taken to minimize negative impacts on the environment, many studies in the hospitality industry reveal that this goal is not necessarily the obvious motivation for businesses to apply green practices in their business activities [10]. Instead, the decision to employ environmental activities in the hospitality industry is largely due to other reasons rather than the desire to reduce the environmental impact [35].

2.3.1. Motivations for green practices

Economic benefits
The first motivation for hospitality businesses to act towards the environment is the economic benefits of green practices [7, 8, 28, 36-38]. Green practices play a role as a resource, allowing firms to cut costs, and differentiate products, thereby improving efficiency and profitability [39]. In other words, the driving forces such as competitive advantage and financial performance are the reasons why organizations take measures to protect the environment.

According to Ayuso’s in-depth interviews [3], the cost savings associated with the implementation of green practices are recognized by hotel managers as a motivation to do them. Measures aimed at improving and maximizing operational efficiency, such as controlling and reducing resource consumption (energy, water, etc.) help accommodation establishments cut costs and ensure profitability in the short term [8, 40].

With regard to economics, enhancing hotel image and reputation is also considered as a prominent benefit to apply environmental initiatives in hotels [7, 26, 37]. Through the implementation of green practices, businesses can attract more new customers [41] and maintain customer loyalty in the long term [42]. Especially in sensitive countries or regions to environmental issues, businesses often face pressures from residential communities or NGOs. With a good image, the company may have certain competitive advantages in the market [43]. Many scholars recognize the ability of firms to gain competitive advantages through the application of environmental protection strategies [36, 39] and identify competitive advantages as the reason for the application of green practices in tourism and hotel businesses [44].

Improvement of relationships with stakeholders
The Stakeholder Theory - provides a solid framework for explaining a company’s actions beyond the goal of profit maximization. According to this theory, one of the motivations for applying green practices is to improve relationships with stakeholders [23, 32, 38, 39, 45].

Stakeholders that may be influenced by the decision to apply environmental solutions identified by previous studies include: local communities, customers, employees, suppliers, and other management authorities and media. However, the level of influence on each related party was not the same in studies. Kirk (1995) argued that improving relationships with local communities was the most visible benefit when applying green practices [26]. Meanwhile, customers are considered as an important stakeholder promoting hotels to apply environmentally friendly solutions because they are increasingly concerned about environmental degradation [7, 8, 20]. In addition to customers, employees are also one of the most important
stakeholders because they are the most affected by the application of green practices in hotel operations and also implementing environmental initiatives [26, 27, 46].

**Ethical motivation - Corporate social responsibility**

The behavior of applying green practices can stem from corporate social responsibility, that is, enterprises act on the basis of concern for social interests [2]. The ethical aspect, or the concern for environment is emphasized and distinguishes the social responsibility motivation from the two types of motivation above [43]. Companies have acted under responsibilities, rather than for any other self-interest. However, the question that is often asked in behavioral science is whether or not there is a positive relationship between environmental concern and actual environmental action. Research by Tzschentke et al. (2008) emphasized that the greater a person’s concern about environmental issues, the higher their moral motivation and the more likely it will motivate them to take action to protect the environment. Conversely, if the level of concern for environmental issues is low, then environmental action will come from other causes such as economic motivations [2]. Although a high level of environmental concern can lead to a greater level of action, the opposite is not necessarily true. A high level of action is unlikely to imply a higher level of concern, as it may be influenced by other motivations such as the economy or pressure from stakeholders.

According to the research results of Tzschentke et al. (2008), the manager’s personal ethical opinion of “doing good for all” or “the right thing to do” is an important reason for hotels to pursue their environmental practices, especially for independent hotels [2]. Similarly, individuals participating in Graci’s research [40] also made statements that “the environment protection for future generations is the right thing to do” or that “taking responsibility for the environment is part of responsibility and culture…” Furthermore, in the model that predicts the environmental behavior [47], environmental concern is considered as a premise of attitudes towards a specific environmental behavior, leading to practical intentions and actions. Integrating the relationship between concern for the environment and environmental protection behavior, the author argues that social responsibility is a factor that promotes the hotel’s proactive participation in environmental activities.

**2.3.2. Institutional pressure**

Neo-institutional theory emphasizes that not all decisions in business are for economic purposes [48, 49]. This theory proposes that businesses operate in an institutional environment, in which a set of implicit or formal rules are laid down by subjects such as governments, professional associations, and the media. By regulations, norms and values, subjects in the institutional environment create a general perception that a company's environmental action is appropriate, reasonable and meets expectations [50]. There are three types of mechanisms that the institutional environment places on firms: coercive, normative and mimetic mechanisms corresponding to pressures caused by government agencies, industry associations, and competitors [48]. The application of environmental practices helps businesses not only get support from the government, but also helps to avoid being caught due to resistance or poor compliance with standards and regulations. Furthermore, businesses will also change their behaviors towards the environment to match the ecological values, norms and expectations shared by subjects in the same industry. However, when the cost of researching and applying environmental practices is quite expensive and the economic benefits are not clear, businesses tend to imitate the leading business in the industry [51].

Some recent studies have emphasized the role of neo-institutional theory to explain business responses to environmental problems. Based on qualitative research of 53 firms in the UK and Japan, Bansal and Roth (2000) argue that legal existence is a major driver of
environmental behavior [43]. However, the role and degree of influence of the three types of institutional pressures vary depending on the research context [43, 52-54].

2.3.3. Top manager’s attitude toward environment

Although the neo-institutional theory point of view can explain firms’ decisions, there are also two weaknesses that are often criticized: (i) ignoring the impact of subjective factors and (ii) inexplicable diversity in responses of firms. According to Delmas and Toffel (2008), because the institutional theory focuses on explaining corporate behaviors under the reaction mechanism, it does not explain the relationship between these organizational factors and these institutional pressures [55]. Furthermore, if institutional pressures exist, over time, businesses in the same industry tend to act similarly by complying with common goals and regulations. But reality shows that enterprises do not always respond in the same way to environmental issues; the choice of applying environmental management measures is quite diverse. In other words, the firm’s response was inconsistent even though they were subjected to the same level of institutional pressure. Therefore, it is necessary to analyze and explore the impact of internal factors with the capability of regulating the relationship between institutional pressures and actual corporate behaviors [56].

Some studies emphasize the role of top managers in corporate decision-making [2, 33, 45, 52, 57-59], and conclude that the senior manager’s attitude on environmental issues is considered as an important element for the application of environmental practices. Environmental attitude - is defined as the gathering of a person’s beliefs, emotions and behavioral intentions about environmental activities or issues [60]. Managers’ attitudes are formed from knowledge, perceptions and values about environmental issues that help to interpret the decision-making process to apply environmental prictices. Based on their views and perceptions, upper managers can see environmental issues as threats or opportunities [59] thereby affecting strong or weak corporate commitment to environmental issues [33, 58]. Lack of support from upper managers in the business is one of the main barriers in applying environmental practices in the hotel business because businesses will use their resources to resist institutional pressures [52]. If the manager’s environmental attitude is at a high level, businesses are more likely to participate in environmental practices because the institutional pressure is consistent with the manager’s and the business’s vision. Furthermore, managers with a strong environmental attitude are aware of the potential benefits of government incentives as well as regulatory pressures. At that time, businesses will not be limited to meeting minimum environmental regulations, but actively change production towards a greener direction to gain supportive resources [61]. In addition, the resources needed to implement environmental protection programs will be more accessible if the main responsible people in the business support these programs. Likewise, some environmental initiatives require the cooperation of different departments and divisions, so it would be more manageable if environmental practices were approved by upper managers in the business [25]. Thus, despite the same economic, political and business environment, the upper manager’s different environmental perspectives will lead to dissimilar environmental behaviors among businesses. In other words, the relationship between the institutional pressure and the behavior of applying environmental practices is positively regulated by the environmental attitude of upper managers in the accommodation business.

2.3.4. Organizational features

Although hotel managers’ supportive attitude has a positive impact on the application of environmental practices [2, 10, 33, 57], this relationship is not always reflected in the hotel's environmental decisions. The reason is that in a few cases, upper managers do not have the full authority to make management decisions [62];
for example, in franchise hotels. Indeed, the ownership type is considered as an important factor, affecting the level of management of the upper managers. Upper managers in independent hotels (either independently owned or self-managed) have higher management rights and greater freedom in decision-making without being subject to the control in chain-affiliated hotels [63]. In chain-affiliated hotels, the power of managers is often constrained by the contractual arrangements between the hotel and the chain. Some hotel chains also have their own environmental policies and regulations, but franchise hotels often treat it as compulsory, and are subject to passive compliance. Thus, the managerial decision-making power of the manager is rarely exercised in this case [57]. Meanwhile, managers of independent accommodation establishments can use their maximum management power to make decisions on applying environmental protection initiatives and measures.

On the contrary, environmental problems in the accommodation sector are considered quite new, causing many difficulties for independent hotels to decide which environmental practices to choose and how to do them effectively [64]. Chain-affiliated hotels are often large-scale and are multinational corporations, so they have certain advantages in terms of resources as well as the ability to transfer experience, technology and knowledge among hotels. Research results of Gil, Jiménez [23], Buysse and Verbeke [46] and Park, Kim [57] have demonstrated that the type of management/ownership has the ability to influence the decision to apply environmental practices in the hotel sector [23, 46, 57].

Besides the management form, hotel size is also a factor that can affect the application of environmental practices. Large hotels are discovered that tend to be more engaged and proactive in environmental practices [23, 28, 57, 65, 66]. Reasons are often proposed by scholars to explain the relationship between the scale and the level of application of environmental practices, such as, that large companies have more abundant resources (e.g. capital, technology, human resources, information). In order to implement environmental practices, businesses need to have sufficient financial and human resources, because profits from applying these activities are mostly realized in the medium and long term [23]. Furthermore, large-scale hotels are under more pressure from stakeholders [25, 33, 65, 66]. In contrast, small accommodation establishment believe that their impact on the environment is negligible, so they are less likely to associate their business with environmental protection [67]. Even so, there are also some studies indicating that the correlation between size and the application of environmental practices measures is negligible [9, 11, 26, 39]. There is even research giving opposing opinions that small businesses are more engaged in environmental practices because they are willing to accept and respond to the pressure of stakeholders [68] meanwhile, larger firms can allocate ownership resources to counteract these pressures [69].

2.4. Proposed conceptual model

Based on the theories and review of previous studies, the author proposes a general research model with five factors and three research hypotheses given below:

Hypothesis H1: Institutional pressure has a positive impact on the decision to apply green practices in a hotel.

Hypothesis H2: Motivation to apply green practices has a positive impact on the decision to apply green practices in a hotel.

Hypothesis H3: Upper manager’s attitude toward the environment has the effect of moderating the relationship between the institutional pressure and the decision to apply green practices in a hotel.

The proposed model considers the decision to apply environmental measures in the accommodation business under the influence of both subjective (motivation) and objective (institutional pressure) elements. Therefore, the model is expected to be able to explain whether the hotel’s actual eco-friendly behavior is driven by external factors or internal factors. In
particular, the motives are also clearly confirmed by the model in three aspects, namely: economic benefits, improvement of relationships with stakeholders and corporate ethical responsibility. Moreover, the contribution of the manager’s attitude toward environmental issues plays as the moderator variable. That helps to explain the difference between the hotels’ green practices depending on the point of view and senior management vision.

3. Conclusions

Although green practices are initially introduced as a way to cut costs [70] today’s main purpose is to gain competitive advantage, such as strengthening relationships with stakeholders [71]. In addition, the application of environmental practices in hotels is not the same. It doesn’t just depend on subjective factors, such as the resources and the upper manager’s attitudes [8] but also external objective factors such as pressure from stakeholders or environmental regulations [72]. According to Deng and Burnett (2002), external factors are only the necessary condition, as accommodation establishments will not fully apply eco-friendly measures if their benefits are not clear [73]. Thus, the initial institutional pressure may be the driver of ecological activities at a minimum, but the passive participation of an accommodation establishment will become more active or proactive when the needs of stakeholders, especially tourists, or economic benefits are recognized.

The theoretical contribution of the research is to develop a model of the relationship between factors affecting corporate social responsibility, in particular, environmental practices of accommodation establishments. Although research on organizational behavior related to social responsibility and environmental protection has been mentioned since the late
nineteenth and early twentieth centuries, the theoretical review shows that researches are often based on one or more particular fundamental theories, from a fixed perspective of research on green hotels, so the results are often quite sporadic. Subjective factors such as the role of the hotel manager have not been emphasized and analyzed clearly. Through the analysis of the decision on green practices from the perspective of integration of theories, the motivation model and the stimulus for hotels to participate in ecological activities are proposed. In addition, the influence of the upper manager’s attitude on environmental issues is considered in the decision-making model as a moderating variable. This factor may help explain why hotels apply different green practices under the same institutional pressures. The model is not only applied to the hotel industry in Vietnam, but also can apply to research on environmental behavior in accommodation businesses in developing countries and other transition economies. Therefore, this research enriches the theoretical framework related to ecological activities in businesses in general and the accommodation sector in particular.

The author suggests that further empirical research should be done in the future to confirm relationships between variables in the proposed model or changes (if any) to adapt to the new research context. In addition, most current green decision-making research models consider positive drivers, without regard to barriers or factors that prevent implementation such as outdated facilities, limited resources etc. Therefore, researchers can further consider additional factors that have opposite effects with decisions on applying green practices in accommodation businesses.

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