

# Effect of motives on sustainability performance of tourist hotels: Mediating role of sustainability adoption

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## Abstract

**Purpose:** This study examines how sustainability adoption mediates the relationship between sustainability motives and performance of tourist hotels in Sri Lanka.

**Research Methodology:** To check the proposed hypotheses of this quantitative investigation, a Structural Equation Model was utilized as an analytical technique using 207 datasets from registered tourist hotels in Sri Lanka. The questionnaire survey technique was used to collect the data.

**Results:** The structural model analysis revealed that while managerial motivations significantly enhance sustainability performance when mediated by corporate sustainability adoption, stakeholder and institutional motivations do not exhibit the same mediating effect.

**Limitations:** This study is confined to the Sri Lankan hotel industry, which may limit the generalizability of the findings to other countries. Focusing solely on tourist hotels may limit the applicability of these results to other industries. The use of cross-sectional data limits one's ability to infer causal relationships over time.

**Contribution:** The contributions of both theory and practice are profound, advocating a strategic focus on internal leadership to drive sustainability in the lodging industry. Future research should explore these relationships across different sectors to enhance our understanding of the factors that foster sustainability initiatives.

**Implications:** The findings emphasize the significance of internal leadership and managerial motivations, rather than external motives, in driving sustainability efforts toward the sustainability performance of hotels. This justifies the need for change in the literature on sustainability, with a greater focus on the role of managerial commitment as a critical component in attaining sustainable performance.

**Novelty:** These findings challenge the conventional wisdom that external pressures alone can drive sustainability success, and highlight the importance of internal leadership and managerial commitment.

**Keywords:** *corporate sustainability adoption, managerial motives, institutional motives, stakeholder motives, sustainability performance*

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## 1. Introduction

Recently, sustainability has been a top priority for businesses in several sectors and industries (Afnan, Wijaya, Kartono, & Wibowo, 2024; Wasiq, Kamal, & Ali, 2023). Adopting sustainable practices has become a strategic decision and requirement, as businesses face increasing demand from stakeholders, including consumers, investors, and regulatory agencies, to operate more socially and environmentally responsible (Bux, Zhang, & Ali, 2024; Mabhandha, 2024). Moreover, as Mohamed Mihilar (2017) mentioned, the reasons for implementing sustainable practices and their effects on business performance remain complicated and multidimensional.

External and internal concerns frequently drive sustainability motives ranging from regulatory compliance to increasing corporate reputation (Bux et al., 2024). However, it is unclear how these motivations lead to better performance outcomes (Hristov, Appolloni, & Chirico, 2022). Owing to its complexity, there is increasing interest in the mechanisms that mediate this relationship (Mohamed Mihilar, 2017). Adopting sustainability practices is one technique that could be a vital link between sustainability goals and the final performance outcomes, such as financial performance, marketing efficiency, and social impact (Wasiq et al., 2023; Wickramasinghe, 2019).

This study investigated how sustainability adoption mediates the relationship between performance results and sustainability motives. By examining this connection, this study aims to contribute to the expanding collection of research on sustainability and organizational performance by revealing how adopting a sustainable approach might improve firms' sustainability performance. This understanding is vital for both scholars and practitioners to develop effective sustainability strategies that align motives with tangible performance benefits.

## 2. Literature review

### 2.1 Sustainability Motives

A growing focus on sustainability has been seen in several areas owing to social awareness, economic pressure, and environmental concerns (Chen & Chen, 2019; Supheni, Ivada, Novianti, & Wiwin, 2023). To promote behaviors that are consistent with long-term environmental and social well-being, it is imperative to understand the motivations underlying sustainability initiatives (Mohamed Mihilar, 2017; Wickramasinghe, 2019). This analysis examines the primary drivers of sustainability in organizations, governments, and individuals by identifying essential themes from the existing literature (Chen & Chen, 2019; Wasiq et al., 2023). Mohamed Mihilar (2017) revealed that motives for sustainability are complex and interconnected. Developing successful sustainable initiatives that support the objectives of corporations, governments, and society requires an understanding of these motivations (Chen & Chen, 2019; Raab, Baloglu, & Chen, 2018). As the prevailing literature shows, there are three main motives: stakeholder, institutional, and managerial. Moreover, stakeholder and institutional motives are concerned with external motives, while managerial motives are concerned with internal motives for the sustainability adoption of business organizations (Graci & Van Vliet, 2020; Mohamed Mihilar, 2017; C. N. R. Wijesundara, Khatibi, Azam, & Tham, 2024).

#### 2.1.1 Stakeholder Pressure

The term "stakeholder pressure" describes the effect people or groups with an interest in an organization's decisions, actions, and results can have (Mahajan, Lim, Sareen, Kumar, & Panwar, 2023). Shareholders, staff members, clients, vendors, governments, non-governmental organisations (NGOs), and the general public are some of these stakeholders (Ashrafi, Walker, Magnan, Adams, & Acciaro, 2020). Organizations are frequently compelled by stakeholder pressure to implement particular practices, rules, or behaviors that meet the needs or expectations of these stakeholders (Font & Lynes, 2018). As Mohamed Mihilar (2017) depicted, this pressure can influence organizational behavior, choices, and tactics; it frequently forces businesses to adopt more environmentally friendly, socially conscious, and transparent business practices. Stakeholder pressure can lead to constructive changes, but has drawbacks and restrictions (Ashrafi et al., 2020; Wickramasinghe, 2019). To maintain a business's long-term objectives and core values, organizations must carefully manage these pressures

and strike a balance between the demands of many stakeholders (Graci & Van Vliet, 2020). As Suluo, Anderson, Anderson, Messberg & Assad (2020) mentioned, effectively managing stakeholder pressure requires a strategy focused on long-term sustainability and growth, genuine participation as a top priority, and a thorough understanding of the motives of diverse stakeholders.

### *2.1.2 Institutional Pressure*

"Institutional pressure" describes the influences that official organizations, authorities, and standards within a specific sector or community exert (Daddi, Todaro, Iraldo, & Frey, 2021; Mohamed Mihilar, 2017). These forces impact how individuals and organizations conduct themselves, frequently resulting in compliance, conformity, and adoption of similar practices by other entities (Hummel, 2021). As Han, Yu, Lee, and Kim (2019) mentioned, institutional pressure may restrict innovation and creativity and force uniformity at the expense of adaptation, even though it can also have positive effects like standardisation and efficiency. As Daddi et al. (2021) depicted, businesses must balance the advantages and disadvantages of institutional pressure to survive in a complex and dynamic setting. Businesses that can successfully handle these demands while retaining their capacity for innovation and adaptation are better positioned for long-term success (Mohamed Mihilar, 2017).

### *2.1.3 Managerial Pressure*

Managerial motives, which are frequently examined in relation to corporate administration and strategic decision making, comprise the individual incentives and goals that prompt managers to make choices that might not always be optimal for shareholders (Khatter, White, Pyke, & McGrath, 2021; Wickramasinghe, 2019). While certain managerial decisions might increase the business's value, others might result from self-serving behaviour and cause agency issues (Shee, Miah, Fairfield, & Pujawan, 2018). The following review discusses the advantages and disadvantages of this concept in the business management literature (Islam, Zhang, & Hasan, 2020). Our knowledge of corporate sustainability and potential conflicts of interest in modern organizations has greatly benefited from studying management motivations (Prayag & Lee, 2019). The literature on managerial motives emphasizes the multiplicity of factors that influence behavior and the intricacy of managerial decision-making. While certain motivations are in line with maximizing shareholder value, conflicts of interest may arise when they do not (Khatter et al., 2021; Mohamed Mihilar, 2017). Comprehending these incentives is essential for creating incentive programs and corporate governance systems that effectively coordinate executive decisions with the organization's long-term objectives (Islam et al., 2020).

## **2.2 Adoption of Corporate Sustainability Practices**

Corporate sustainability practices are the tactics and measures businesses use to reduce their negative effects on the environment, advance social welfare, and secure long-term financial survival (Sakshi, Shashi, Cerchione, & Bansal, 2020). Businesses can improve their brand reputation, lower risks, and access new markets by incorporating environmental, social, and governance (ESG) issues into their operations (Olya, Altinay, Farmaki, Kenebayeva, & Gursoy, 2021). As Camilleri (2020) revealed, adopting such practices in today's business climate is becoming increasingly acknowledged as necessary due to stakeholder expectations, regulatory requirements, and growing awareness of global sustainability concerns. Businesses that embrace sustainability will be better equipped to handle upcoming obstacles and grasp fresh opportunities in a world that is changing quickly (Bux et al., 2024; Sulaiman, Fitralisma, Fata, & Nawawi, 2023). As Ehgartner (2020) mentioned, businesses must adopt a genuine approach to sustainability and steer clear of greenwashing traps. To establish confidence with stakeholders and make a significant impact, it is essential to prioritize transparency, accountability, and a sincere dedication to sustainability (Olya et al., 2021).

## **2.3 Sustainability Performance**

A broad definition of "sustainability performance," considering social, economic, and environmental factors, is common (Kitsis & Chen, 2020). However, vagueness may have resulted from this broadness. As Yu, Yanni, and Yon (2016) revealed, different organizations' interpretations of sustainability performance might lead to challenges when comparing results across sectors or within businesses.

Although sustainability performance is crucial for building a more accountable and sustainable future, there are several obstacles to its impact, application, measurement, and definition (Tseng, Lim & Wu, 2018). Innovation, stakeholder involvement, and regulatory assistance are required to address these issues (Wickramasinghe, 2019). Sustainability performance can only become a significant and helpful instrument for good changes across industries through these initiatives (Wasiq et al., 2023). Innovation is required in the present sustainability performance strategy for both measurement and application (Mohamed Mihilar, 2017). More advanced instruments, technologies, and frameworks are needed to effectively measure sustainability and guarantee that performance indicators result in tangible changes (Apriani, Kamsariaty, Sarinastiti, Yuliastuti, & Sukmayadi, 2023; Wasiq et al., 2023).

## 2.4 Theoretical Framework

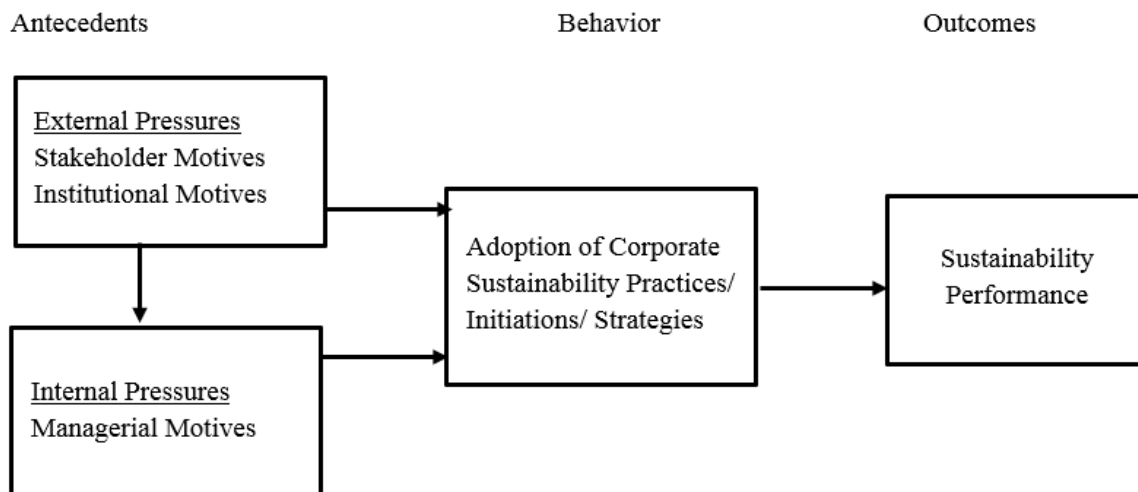


Figure 1. Theoretical framework through corporate sustainability literature

The term stakeholder motives refers to the motivations or causes behind the adoption of sustainable practices by various parties, including organizations, consumers, investors, governments, and communities etc. (Mahajan et al., 2023; Suluo, Anderson, Andersson, Mossberg, & Assad, 2020). The term ‘institutional motives’ refers to the justifications for an organization's or institution's adoption of sustainable practices. These motivations usually consist of prevailing regulations, existing reputation and branding, economic incentives, and long-term resilience etc. (Daddi et al., 2021; Han et al., 2019). Managerial motives, which are frequently examined in relation to corporate administration and strategic decision-making, comprise the individual incentives and goals that prompt managers to make choices that might not always be optimal for shareholders (Islam et al., 2020; Khatter et al., 2021). Internal and external motives have both dynamic and interdependent relationships. On the other hand, external forces (such as laws, consumer demands, or investor expectations) may force businesses to boost their sustainability outcomes (Kitsis & Chen, 2020; Tseng, Lim, & Wu, 2018). Internal drivers can guarantee that these initiatives are not just responsive but also proactive and deeply embedded in the operations and culture of the business (Daddi et al., 2021; Uchinlayen, Sarker, & Saha, 2022). Businesses that can successfully balance external and internal pressures are likely to experience significant improvements in sustainability performance (Wickramasinghe, 2019). The mediating effect of sustainability adoption on the relationship between sustainability motives and sustainability performance is important for understanding how businesses can effectively improve their environmental, social, and governance (ESG) outcomes (George, 2021).

## 3. Research methodology

### 3.1 Conceptual Framework

As stated earlier, a reliable conceptual model was created by employing theoretical frameworks and identifying gaps in the existing research corpus. The proposed model aims to understand how both

internal and external factors might affect an organization's sustainability performance, and more significantly, how corporate sustainability adoption can mediate the interaction between the associations mentioned above. The suggested model examines how managerial intentions, stakeholder motives, and institutional motives affect a business's ability to function sustainably. Based on institutional and stakeholder theories, adopting a business sustainability approach is contingent on the impact of institutional restrictions and external stakeholder pressure. These pathways also had an instant and noticeable effect on the dependent variable. The conceptual model shows how external and organizational forces can directly impact an organization's ability to execute sustainably. In the model built from existing literature, corporate sustainability adoption is intended to function as a mediator.

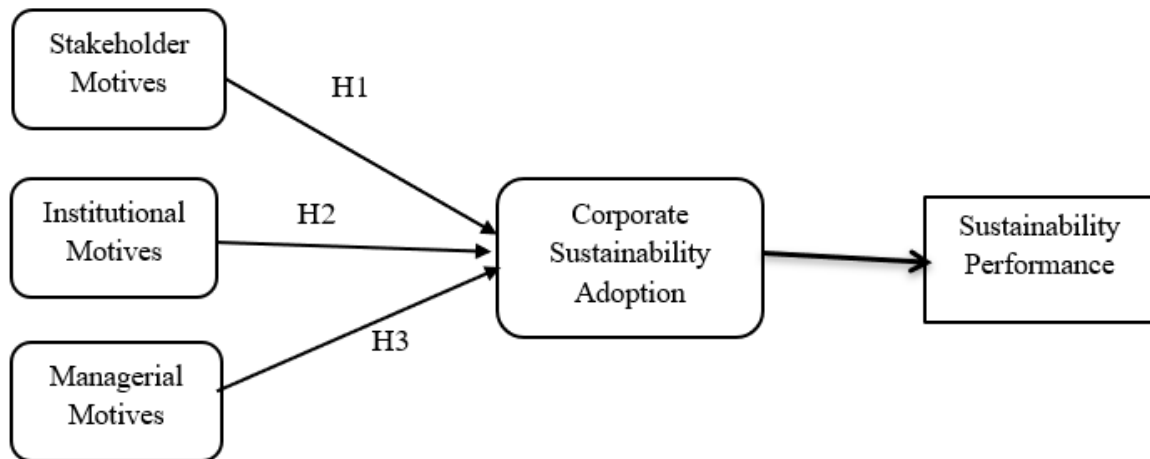


Figure 2. Conceptual Framework

### 3.2 Constructing Hypothesis

Sustainability performance and the adoption of corporate sustainable practices are positively connected (Wasiq et al., 2023). Businesses can improve their total sustainability results, increasing their long-term commercial success, reputation, and competitive edge by concentrating on the environmental, social, and economic elements (Tjahjadi, Soewarno, Karima, & Sutarsa, 2023). Moreover, corporate sustainability is one of the most important topics, and it is the connection between adopting sustainable practices and sustainability performance (Zhou, Rashid, Mohd. Zobair, Sobhani, & Siddik, 2023). Businesses have followed these policies and plans to support social, economic, and environmental sustainability (Wasiq et al., 2023). As Wickramasinghe (2019) mentioned, adoption differs according to the industry, business size, legal framework, and stakeholder demand. Businesses may implement these practices because of ethical concerns, commercial needs, or regulatory constraints (Mohamed Mihilar, 2017).

As the prevailing literature depicts, adopting sustainable corporate practices generally appears to favorably impact sustainability performance (Kitsis & Chen, 2020). For example, businesses that reduce trash and energy consumption frequently enjoy economic benefits and enhance their environmental performance (Wickramasinghe, 2019). However, such partnerships are not always simple. The degree to which sustainability practices are integrated into core business strategies and how successfully they are implemented can determine a business's efficacy (Mohamed Mihilar, 2017). Businesses that incorporate sustainability principles into every aspect of their operations, from the top down, typically have higher performance results than those that use them only in specific departments (Wasiq et al., 2023).

To understand stakeholders' interests and concerns, businesses should actively engage with customers, employees, investors, and communities (Mahajan et al., 2023). Stakeholders' needs and expectations can be met by involving them in the decision-making process for sustainability (Ashrafi et al., 2020). According to Mohamed Mihilar (2017), this may result in more creative and pertinent solutions.

Through these techniques, organizations can better connect sustainability initiatives with stakeholder expectations, resulting in better sustainability performance for the business and the larger community (Suluo et al., 2020).

Considering the above facts, the first hypothesis can be proposed as follows:

*H1: Adopting corporate sustainability practices mediates the relationship between stakeholder motives and corporate sustainability performance.*

According to institutional theory, the expectations, norms, and values of a business's surroundings affect it (Han et al., 2019). Therefore, they may implement sustainability practices and strategies to comply with these external demands (Mohamed Mihilar, 2017). The actual application of sustainability measures within an organization is referred to as sustainability adoption, and it serves as the mechanism by which institutional goals are put into practice (Daddi et al., 2021). As Hummel (2021) mentioned, an organization may implement procedures to guarantee adherence to environmental rules if regulatory demands drive it. Institutional factors influence sustainability adoption, which in turn affects sustainability performance (Wasiq et al., 2023). Consequently, the adoption of sustainability acts as a mediator in the relationship between the institution's original goals and its final performance results.

Considering all the above facts, the second hypothesis is proposed as follows:

*H2: The adoption of corporate sustainability practices mediates the relationship between institutional motives and corporate sustainability performance.*

Managerial motives refer to the underlying motivations or incentives that push managers to adopt sustainable practices (Wickramasinghe, 2019; N. Wijesundara, 2023). These goals may include improving one's reputation, cutting expenses, or upholding one's own moral principles (Khatter et al., 2021). As Islam et al. (2020) depicted, the degree to which an organization incorporates sustainable practices into its operations is referred to as sustainability adoption. This includes implementing eco-friendly technology, reducing waste, ensuring efficient energy use, and encouraging social responsibility (Prayag & Lee, 2019). Managerial motives may not directly influence sustainability. Rather, they impact the adoption of sustainable practices and output (Khatter et al., 2021). For example, a manager motivated by regulatory compliance implements waste reduction strategies and enhances a business's sustainability performance. Managerial motives drive the adoption of sustainable practices, influencing an organization's sustainability performance (Islam et al., 2020; Prayag & Lee, 2019).

Considering all the above facts, the third hypothesis can be proposed as follows:

*H3: The adoption of corporate sustainability practices mediates the relationship between managerial motives and corporate sustainability performance.*

### **3.3 Population & Sample**

The respondents were registered lodging establishments dedicated to incorporating corporate sustainability programs within their properties. According to the information provided by relevant government authorities, there were 475 registered tourist hotels. Only 318 tourist hotels actively engage in corporate sustainability initiatives; hence, this study concentrated on this hotel's demography. Owing to the restricted size of the intended audience, the investigator distributed questionnaires to each property of the intended audience. Furthermore, 213 completed questionnaires were received, translating to a response rate of approximately 67%. However, because of incomplete responses, six questionnaires were disqualified. Ultimately, 207 accurately and completely filled questionnaires were used for data analysis.

### **3.4 Data Gathering**

The researchers created the suggested questionnaire by referencing previously published studies. This finalized questionnaire was then utilized to collect the required primary data to examine the proposed hypotheses, which were derived through a suggested conceptual framework. The top management

representatives of the chosen tourist hotels served as the primary respondents. Following its development, the proposed questionnaire was distributed to three pertinent academics to obtain feedback and to verify its validity. To collect necessary data, the questionnaire was modified and distributed to the entire target group after receiving critical feedback from eminent academics. Over the course of gathering data, the researcher followed the generally accepted guidelines and research ethics.

### 3.5 Variables & Operationalization

As noted in the literature, the conceptual model proposed in this study included four statistical analysis variables. These include business sustainability adoption, institutional, stakeholder, and managerial pressures. A summary of all four suggested constructs is provided in the next section, along with information about the researchers who have conducted pertinent research on each component. Likert scales with five points were used to operationalize the constructs. Except for stakeholder motives, top management of the chosen hotels was asked to rate their agreement with each claim on a scale of 1 (Strongly Disagree) to 5 (Strongly Agree). A Likert-type scale ranging from 1 (extremely low) to 5 (very high) was used to gauge stakeholders' motivations.

Table 1. Operationalization of Variables

Construct	Item Code	Item Description	Literature
Institutional Motives	COE1	The competitive position of the hotel business is positively impacted by adherence to sustainable regulatory norms.	Apriani et al. (2023); Charan and Murty (2018); Daddi et al. (2021); George (2021); Han et al. (2019); Hummel (2021); Mohamed Mihilar (2017); Raab et al. (2018); Saeed, Jun, Nubuor, Priyankara, and Jayasuriya (2018); Wijethilake and Ekanayake (2018)
	COE2	The hotel industry has a market advantage since there are many voluntary guidelines.	
	COE3	The government encourages involvement in sustainability projects by providing subsidies and favourable assistance.	
	NOR1	Visitors want services that are considerate of the environment.	
	NOR2	Before booking a reservation, customers enquire about sustainable offerings.	
	NOR3	The adoption of sustainable practices is encouraged by guests' increasing understanding of sustainability.	
	MIM1	The top hotel facilities in our industry serve as role models for ethical business practices.	
	MIM2	Leading hotels in our sector are actively looking for ways to reduce their impact on the environment and society.	
	MIM3	The best lodging companies in our sector are well known for putting social welfare and environmental preservation first when implementing best practices.	
Stakeholder Motives	STK1	Guests / Customers	Ashrafi et al. (2020); Font and Lynes (2018); Graci and Van Vliet (2020); Guix, Bonilla-Priego, and Font (2018); Mahajan et al. (2023); Mohamed Mihilar (2017); Sulistiowati,
	STK2	Suppliers	
	STK3	Competitors	
	STK4	Media	
	STK5	Government	
	STK6	Policymakers / Regulators	
	STK7	NGOs / Environmental Organizations	
	STK8	Society / Community	

	STK9	Creditors	Adisa, and Caturiani (2021); Suluo et al. (2020)
	STK10	Shareholders	
Managerial Motives	MGM1	Sustainability is given priority in the underlying values and environment of my hotel.	Islam et al. (2020); Khatter et al. (2021); Kitsis and Chen (2020); Prayag and Lee (2019); Shee et al. (2018); Wijethilake and Ekanayake (2018)
	MGM2	The top leadership at our hotel has fully supported our green initiatives.	
	MGM3	The hotel's senior management was committed to reducing the negative effects that its business activities had on society and the surroundings.	
	MGM4	The top managers routinely assessed our organization's impact on the environment and related society.	
	MGM5	Our top management staff's actions demonstrated that they gave the natural environment, society, and profits similar weight.	
Corporate Sustainability Adoption	ACS1	We have developed clear guidelines and protocols regarding sustainability.	Camilleri (2020); Ehgartner (2020); Font, Walmsley, Cogotti, McCombes, and Häusler (2012); Martínez, Herrero, and Gómez-López (2019); Mohamed Mihilar (2017); Moise, Gil-Saura, and Ruiz-Molina (2018); Olya et al. (2021); Sakshi et al. (2020); C. N. R. Wijesundara et al. (2024),
	ACS2	The property's mission statement reflects our commitment to running our business sustainably.	
	ACS3	In order to assess and attain environmental sustainability, the property has put targets and metrics in place.	
	ACS4	Responsible purchasing and supplier guidelines have been put in place by our hotel.	
	ACS5	A "Leadership team or Unit" has been formed to carry out and supervise sustainability projects.	
	ACS6	We offer in-depth reporting on initiatives to advance outcomes and sustainability.	
	ACS7	In order to identify stakeholders' sustainability concerns, we continually engage with them.	
Sustainability Performance	PERM1	In recent years, there has been an improvement in connections with the community around us.	Aras, Tezcan, and Kutlu Furtuna (2018); George (2021); Kitsis and Chen (2020); Mohamed Mihilar (2017); Tseng et al. (2018); Wickramasinghe (2019)
	PERM2	Over the past few years, there has been an improvement in customer satisfaction.	
	PERM3	Within the past few years, our lodging establishment has outperformed rivals in terms of marketing.	
	PERF1	Over the past three years, our hotel's Return on Assets (RoA) has increased by a sufficient amount.	
	PERF2	Over the past few years, our hotel's return on equity (ROE) has increased substantially.	

	PERF3	Over the past three years, our hotel has seen a sufficient increase in Return on Sales (RoS).	
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## 4. Results and discussions

### 4.1 Factor Analysis

The statistical analysis for investigating the hypotheses generated by the proposed model was divided into two main parts. First, the components representing each variable were examined using Exploratory Factor Analysis (EFA). Confirmatory Factor Analysis (CFA) was then carried out to assess the appropriateness of the measurement model. Cronbach's alpha, Composite Reliability (CR), and Average Variance Extracted (AVE) were used to assess the internal consistency and reliability of these variables. Table 02 summarizes the results of the previously stated tests.

Table 2. Results of the Factor Analysis

Dimension	Code	EFA	CFA	KMO	Cronbach's	CR	AVE
Managerial Motives	MGM1	.831	.792	.839	.897	.890	.622
	MGM2	.852	.854				
	MGM3	.883	.884				
	MGM4	.853	.740				
	MGM5	.794	.650				
Institutional Motives	COE1	.883	.894	.829	.872	.791	.572
	COE2	.854	.817				
	COE3	.853	.800				
	NOR1	.642	.774				
	NOR2	.663	.796				
	NOR3	.673	.845				
	MIM1	.840	.821				
	MIM2	.836	.894				
	MIM3	.803	.769				
Stakeholders Motives	STK1	.843	.789	.909	.932	.933	.584
	STK2	.799	.754				
	STK3	.768	.726				
	STK4	.799	.813				
	STK5	.801	.780				
	STK6	.824	.794				
	STK7	.768	.749				
	STK8	.786	.804				
	STK9	.778	.743				
	STK10	.731	.683				
Adoption of Corporate Sustainability Practices	ACS1	.778	.746	.892	.880	.883	.523
	ACS2	.784	.746				
	ACS3	.860	.852				
	ACS4	.796	.750				
	ACS5	.793	.745				
	ACS6	.643	.566				
	ACS7	.689	.618				
Sustainability Performance	PERF1	.731	.536	.842	.887	.885	.566
	PERF2	.673	.726				
	PERF3	.663	.739				
	PERM1	.824	.868				
	PERM2	.796	.795				

	PERM3	.801	.806			
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It is evident from the above table that every item in the EFA and CFA showed factor loading scores that were standardized and greater than 0.5. The results of the CFA analysis indicated that the model showed an adequate level of "good fit." (Razali, Wahid, Adnan, Alam, & Hilmi, 2024; Shrestha, 2021; Wang, Ahmed, & Rafiq, 2008). Consequently, this study fulfilled the requirement of being unidimensional. Every variable possesses a Composite Reliability (CR) more than 0.7, and every variable possesses a Cronbach Alpha value greater than 0.8 (Haji-Othman & Yusuff, 2022; Hussey, Alsalti, Bosco, Elson, & Arslan, 2023; Taber, 2018). The Cronbach's  $\alpha$  and CR values mentioned above demonstrate the reliability of each variable. Furthermore, strong evidence for the model's applicability was provided by the Average Variance Extracted (AVE) values of all variables above 0.5 (Hair Joseph, Black William, Babin Barry, & Anderson Rolph, 2010; Haji-Othman & Yusuff, 2022; Kline, 2023; MacCallum, Browne, & Sugawara, 1996).

#### 4.2 Assessment of the Structural Model

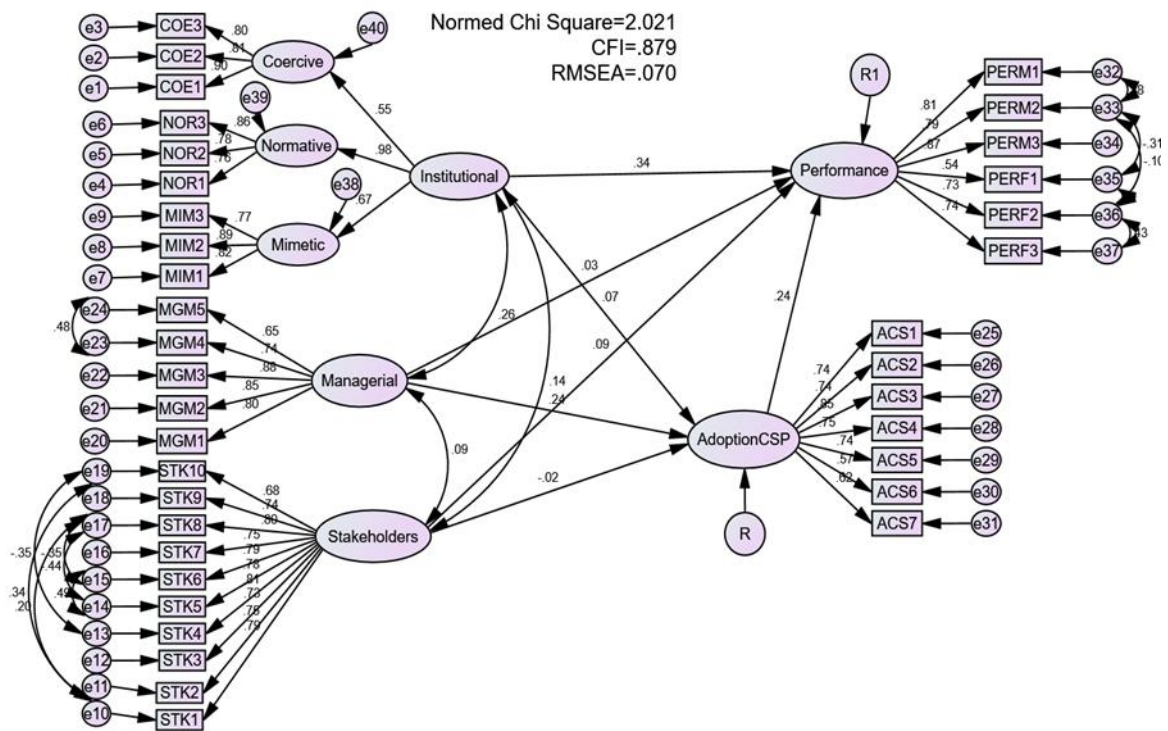


Figure 3. Structural Model

According to the above Structural Model (SM), the model's Normed Chi-Square value is 2.021, which is well within the permitted range (Kline, 2023; Yaşlıoğlu & Yaşlıoğlu, 2020). The model's RMSEA value of 0.070 also belongs to the allowed range (West, Meserve, & Stanovich, 2012; Yaşlıoğlu & Yaşlıoğlu, 2020). The CFI value of the SM is 0.879, which falls within an acceptable range (West et al., 2012; Yaşlıoğlu & Yaşlıoğlu, 2020). Consequently, it was concluded that the suggested Structural Model (SM) matched the data quite well. As a result, it is advised to carry out the hypothesis testing procedure. The author of the study has used the well-known "Bootstrapping" strategy to accomplish that goal.

### 4.3 Hypotheses Testing

Table 3. Outcome of the Mediating Effect of Adoption of CSP

Relationship	Direct Effect	P Value	Indirect Effect	Confidence Interval		P Value	Conclusion
				Lower Bound	Upper Bound		
Stakeholders Adoption CSP > Performance	0.057	0.202 Insignificance	-0.004	- 0.034	0.020	0.745 Insignificance	No Mediation
Institutional Adoption CSP > Performance	0.601	0.001 Significance	0.030	-0.055	0.164	0.453 Insignificance	No Mediation
Managerial Adoption CSP > Performance	0.033	0.742 Insignificance	0.074	0.010	0.188	0.018 Significance	Full Mediation
Threshold Values	(CR > 1.96); (P-Value 0.05 – 0.001); (SRW > 0.2)						

This study examined the function of "corporate sustainability adoption" as a mediator in the relationship between "Stakeholder Motives", "Institutional motives", and "Managerial motives" and the "Sustainability performance of tourist hotels".

*H1: Adopting corporate sustainability practices mediates the relationship between stakeholder motives and corporate sustainability performance.*

The first hypothesis (H1), it was examined how the "Adoption of corporate sustainability practices" mediated the association among "Stakeholders motives" and "Sustainability performance." Table 03 revealed that the direct association between stakeholder motives and sustainability performance is insignificant (P = 0.202) and does not have an adequate direct impact. Furthermore, the indirect impact of stakeholders' motivations on sustainability performance in the presence of the mediator was also not significant (b = -0.004, P = 0.745). It confirmed that the association between "Stakeholders' Motives" and "Sustainability performance" is unaffected by the "Adoption of Corporate Sustainability Practices." Therefore, the first hypothesis (H1) was rejected. The outcome of this hypothesis is consistent with earlier research and scholarly findings, as they have confirmed that the implementation of sustainability practices has not sustained a positive mediating influence on the connection between stakeholder motives and business businesses' sustainability performance (Awan, Kraslawski, & Huiskonon, 2017; Haleem, Farooq, Cheng, & Waehrens, 2022; Singh, Del Giudice, Chiappetta Jabbour, Latan, & Sohal, 2022). Moreover, the results contradict some existing research findings that confirm the positive mediating effect of corporate sustainability adoption on the association between stakeholder motives and the sustainability performance of business organizations (Daddi et al., 2021; Han et al., 2019; Hummel, 2021; Mohamed Mihilar, 2017).

*H2: The adoption of corporate sustainability practices mediates the relationship between institutional motives and corporate sustainability performance.*

The second hypothesis (H2), it was examined how the "Adoption of corporate sustainability practices" mediated the association among "Institutional motives" and "Sustainability performance." Table 03 revealed that the association between institutional motives and sustainability performance is significant because its' P value (value = 0.001) belongs to the accepted value range (0.05 - 0.001) and has an adequate direct impact. In addition, it was discovered that in the presence of the mediator, the indirect impact of institutional motives on sustainability performance was not significant (b = 0.030, P = 0.453).

So, it is evident that the connections among "Institutional Motives" and "Sustainability Performance" are unaffected by the "Corporate sustainability adoption." Therefore, the second hypothesis (H2) was rejected. The outcome of this hypothesis is also consistent with earlier research and findings made by other scholars, demonstrating that there is no adequate mediating effect of corporate sustainability practices on the interaction between institutional motives and business' sustainability performance (Hummel, 2021; Shamil, Shaikh, Ho, & Krishnan, 2022); Chen et al., 2019). Furthermore, the result was contrary to existing research findings that confirmed the positive mediating effect of corporate sustainability adoption on the association between institutional motives and the sustainability performance of business organizations (Han et al., 2019; Islam et al., 2020; Khatter et al., 2021; Mohamed Mihilar, 2017; Paulraj, Chen, & Blome, 2017).

*H3: The adoption of corporate sustainability practices mediates the relationship between managerial motives and corporate sustainability performance.*

Under the third hypothesis (H2), how the "Adoption of corporate sustainability practices" mediated the association between "Managerial motives" and "Sustainability performance" was examined. According to Table 03, management motives have little direct impact on sustainability performance, and the association is negligible ( $P = 0.742$ ). Further, it was discovered that, in the presence of the mediator, managerial motives had a significant indirect influence on sustainability performance ( $b = 0.074$ ,  $P$  Value = 0.018). Therefore, the association between the "Management Motives" and "Sustainability performance" is fully mediated by the "Corporate sustainability adoption." This study's third hypothesis (H3) was confirmed. As a result, the outcome of this hypothesis is consistent with earlier research and findings made by other academics, who have demonstrated the favorable mediating role that corporate sustainability practices play in the relationship between managerial pressures and the sustainability performance of businesses (Islam et al., 2020; Khatter et al., 2021; Prayag & Lee, 2019; Shamil et al., 2022; Wickramasinghe, 2019; N. Wijesundara, 2023).

## **5. Conclusion**

### **5.1. Conclusion**

The results of this study offer a comprehensive understanding of how corporate sustainability adoption functions as a mediating element in the correlation between internal and external motives and the sustainability outcomes of lodging businesses. Examining the three proposed hypotheses produced varying conclusions, adding insightful information to the body of research on sustainable practices in the hospitality sector.

According to the first hypothesis (H1), stakeholder motivations and sustainability performance are mediated by the adoption of corporate sustainability by tourist hotels. However, the analysis demonstrated that neither the direct nor indirect effects were significant, leading to the rejection of H1. This finding is consistent with earlier studies, which suggest that corporate sustainability strategies may not be able to drive sustainability performance due to stakeholder-driven motivations alone. The second hypothesis (H2) investigated the possibility that institutional motivations and sustainability performance are mediated by the adoption of corporate sustainability by tourist hotels. H2 was rejected because the mediation effect of corporate sustainability adoption was not validated, although institutional motivations directly impacted sustainability performance. This result is in line with previous research that shows that institutional pressures, although significant, do not always result in improved sustainability performance through the implementation of corporate sustainability initiatives. The findings support the third hypothesis (H3), which examines the mediating role of corporate sustainability adoption in the association between managerial motivations and sustainability performance. The analysis reveals a significant indirect effect, confirming that managerial motives positively influence sustainability performance when mediated by corporate sustainability practices. The present findings support earlier studies by emphasizing the crucial function that leadership and managerial commitment play in implementing sustainable strategies to improve sustainability performance.

The study's findings highlight the complex interactions between internal and external motivations and sustainability performance in tourist hotels. While managerial motives were found to be effectively mediated by corporate sustainability practices, the same was not true for stakeholder and institutional motives.

### **5.2. Implications**

These findings have significant theoretical and practical implications. Rather than depending exclusively on external pressures or stakeholder expectations, managerial motivations must align with sustainability goals for sustainability initiatives in the hospitality sector to be successful. Practically, the findings provide valuable information to legislators and hotel operators in the hospitality sector. According to the study, to guarantee significant and fruitful results, managers in tourist hotels should prioritize coordinating their strategic objectives and motives with sustainability implementation.

This implies more funding for training and development of leaders' initiatives to strengthen hotel management's continuous commitment to sustainability. The findings also convey a warning against depending too much on outside factors to promote sustainability success, such as stakeholders or regulatory expectations. Hence, policymakers and industry stakeholders should consider better supporting internal business processes that foster motivation and leadership, perhaps by offering resources that enable managers to play a more active role in adopting sustainability or by providing incentives or recognition programs.

### **5.3. Suggestion**

Future studies should investigate these correlations across diverse settings and sectors to augment our comprehension of the elements contributing to prosperous sustainability outcomes.

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