



Discussion paper

Adoption of sustainable business practices in the private club industry from GMs and COOs' perspectives

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ABSTRACT

This study applied the theoretical framework of innovation adoption and concept of board support, relevant to private club's sustainable business practices (SBPs). The purpose of this study was to analyze the factors influencing the adoption of SBPs in the private club industry. The adoption of SBPs has not been addressed extensively in academic research for private club, especially from leaders' perspectives. The data were collected from 221 general managers and chief operation officers, using an online survey. Three-step hierarchical regression analyses were used to find perceived innovation characteristics and board support on the outcome variable. Board support, perceived by club GMs and COOs, was found to have the biggest influence on adoption intention of SBPs, in addition to significant influences of relative advantage, complexity (ease of use), and compatibility. This study highlighted an important role of board support on GMs' and COOs' intention to adopt SBPs, emphasizing the unique structure of private club governance. Understanding what the motivating factors are for club executives to adopt SBPs will enable them to engage in SBPs more effectively in the private club industry. Implications and opportunities for future research were addressed.

1. Introduction

Green initiatives and sustainability have received considerable attention from both hospitality practitioners and academicians. In fact, sustainability has become one of the fastest growing trends in the hospitality industry during the 21st century (Kaefer, 2014). In a highly competitive environment, some leading hospitality companies have made countless efforts to modify their existing processes and systems to be more environmentally friendly and to incorporate sustainable business practices (SBPs) into their company culture and structure (Dief and Font, 2010; Han et al., 2011). SBPs refer to a set of activities and actions that decreases negative environmental impact (e.g., reducing resource consumption) by implementing practices that are environmentally and ecologically friendly and safe (DiPietro et al., 2013; McDonough and Braungart, 2002; Smerecnik and Andersen, 2011).

Interests in environmental sustainability continue to grow in lodging, restaurant operations, and private clubs, mainly in areas of water conservation and reduction, materials, energy efficiency, recycling, and purchasing procedures (DiPietro et al., 2013; Dutta et al., 2008; Han et al., 2011; Wang et al., 2013). An increased number of restaurants

have developed green management standards for their own restaurants, and implemented various innovative methods to increase the visibility of green initiatives to others (Wang et al., 2013). According to the 2015 What's Hot survey, conducted by the National Restaurant Association, environmental sustainability was ranked third among the survey's top 20 trends (National Restaurant Association, 2014a). Some leading global hotels also have been proactive in developing corporate sustainability policies and have even taken additional steps to adopt international environmental management systems such as ISO 14001 (Bader, 2005; Chan and Wong, 2006; Hsiao and Chuang, 2015; Tarí et al., 2010).

With increased interests in sustainability, academic research also has received considerable attention with studies linking sustainability with customer satisfaction, brand image, organizational performance, and willingness to pay a premium in the hotel and restaurant fields (Bader, 2005; Berezan et al., 2014; Chou et al., 2012; Han et al., 2011; Hsiao and Chuang, 2015; Robinot and Giannelloni, 2010; Schubert et al., 2010).

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1.1. Identifying research gaps

Overall, there has been little academic attention to the study of private club segment compared to other segments of hospitality field (Barrows and Ridout, 2010; Huang and O'Brien, 2015). On the matter of sustainability in the private club industry, academic research is still quite limited (Kim et al., 2014; Ward, 2014), but interest in sustainability has been increasingly addressed in private club industry publications (Cichy et al., 2013a,b; Cichy et al., 2016; Fornaro, 2009; White 2013). In particular, the adoption and diffusion of SBPs in the private club industry has been under-researched and there has been little theoretical approach. As a theoretical approach, this study applied the theoretical framework of innovation adoption (Rogers, 2003) and the concept of board support, which entails the unique structure of private club governance. Successful companies treat sustainability as an essential path for innovation to achieve a competitive advantage (Smerecnik and Andersen, 2011). Rogers (2003) explained that an innovation presents an individual or adopter with alternatives for solving problems. SBPs are considered an innovation in this context, since innovation consists of any practice that is new to organizations. When private clubs adopt SBPs, private clubs are expected to engage in different ways of operating their businesses.

Although in the last decade some private clubs have made progress in improving their SBP, it is likely that diffusion of the decision-making process to adopt SBP is likely to be different in the private club industry because of distinctive private governance. Private clubs are owned by their members. Each member has paid an initiation fee, pays regular monthly dues, and sometimes pays an assessment for a special project (improving the fitness facilities in the club house). As members, the individual owners are represented by the board of directors. Private clubs have legacies in that multiple generations of the same family have belonged to the club. Private clubs are challenged to innovate yet maintain traditions. When a member visits his or her private club, it is not simply a transaction (i.e., pay for lunch, pay for a round of golf); rather, it is the continuation of a relationship between that member and their club.

Further, this study recognizes the importance of addressing the topic of sustainability at the highest level such as general managers and chief operating officers, as well as their perceived support from boards, in this research topic. Accordingly, it is worthwhile to give high attention to studies of the adoption of green practices in the private club industry from GMs and COOs' perspectives, given the potential value of SBPs to the private club industry. The issue of sustainability should be first addressed at the highest level for organizational change but most notably, there is a paucity of research regarding perceptions of SBPs from top management (Damanpour and Schneider, 2006). In order to fill these identified research gaps, it is worthwhile to study the adoption of green practices in the private club industry, given the potential value of SBPs to the private club industry.

1.2. Study objectives

The objective of this study was to confirm and validate four dimensions of perceived innovation characteristics including relative advantages, complexity, compatibility, and observability that are relevant to GMs and COOs. After evaluating the validity of the measurement, the main objective of this study was to analyze factors influencing adoption of SBPs. More specifically, this study examined relative and incremental effects of perceived characteristics of SBPs and board support, both perceived by club GMs and COOs, in relation to adoption intention of SBPs. By investigating factors that motivate GMs and COOs to adopt SBPs, this study attempts to understand how SBPs might be diffused more successfully in the private club industry.

2. Literature review

2.1. Sustainability in the hospitality industry

A growing number of hospitality organizations are adopting and implementing various innovative methods to engage in green practices. There are various definitions associated with green practices or sustainable business practices (SBPs). Tzschenke et al. (2008) focused on small hospitality firms' decision-making processes in adopting SBPs and defined going green as "the adoption of environmental management practices, intended as practices aimed at minimizing the detrimental impact on the environment, in terms of both resource depletion and pollution (p. 126)." While some clubs are at the forefront as early adopters for SBPs, many clubs are still finding the best ways to improve their activities with regards to SBPs. In fact, close to 70% of GMs and COOs responded that their clubs can improve their sustainability efforts and implementation more according to Chambers' Club of the Future survey (Club View, 2015). Rather, the issue of sustainability has been relatively widely examined in hospitality literature, primarily with regard to lodging (Barberán et al., 2013; Berezan et al., 2013; Chan et al., 2014; Chen and Tung, 2014; Han and Kim, 2010; Han et al., 2011; Hsiao and Chuang, 2015; Gao and Mattila, 2014; Jones et al., 2014; Manaktola and Jauhari, 2007) and foodservice (Choi and Parsa, 2007; Chou et al., 2012; DiPietro et al., 2013; Hu et al., 2010; Lee et al., 2013; Namkung and Jang, 2014; Schubert et al., 2010).

Certainly, increased awareness and implementation of sustainability results in an upsurge of research related to different research topics. The majority of previous studies heavily focused on finding consumers' motivational factors on going green when they visit hospitality operations or purchase hospitality-related products and services (Bansal and Roth, 2000; Chan et al., 2014; Chen and Tung, 2014; Han et al., 2011; Susskind, 2014; Tzschenke et al., 2004). For example, much of previous hospitality literature focused on improving the understanding eco-friendly consumers' attitudinal and behavioral profiles (Laroche et al., 2011; Han et al., 2011; Manaktola and Jauhari, 2007), and increasing customer satisfaction, customer loyalty, and market demands (Gao and Mattila, 2014; Berezan et al., 2013; Berezan et al., 2014). Understanding how consumers view the image of green hospitality operations was also examined (Chan, 2008; Han et al., 2011; Jeong et al., 2014; Lee et al., 2010; Namkung and Jang, 2013). In addition to the individual-level (i.e., focusing on consumers), hospitality researchers also have examined linking green practices and environmental management system with organizational performance (Gil et al., 2001; Kang et al., 2010; Segarra-Ona et al., 2012; Singal, 2014).

2.2. Sustainability in the private club industry

The private club industry is an important segment of the hospitality industry in terms of both its size and scope (Koenigsfeld et al., 2012). However, in general, the private club segment has received relatively minor academic attention in spite of its economic significance (Barrows and Walsh, 2002; Barrows and Ridout, 2010; Koenigsfeld et al., 2012). Private club membership clubs have contributed to a legacy of wealth and a sense of pride for owners, investors, and staff members (Huang and O'Brien, 2015). In a private club, there is a high degree of service and experience offered to club members (Gustafson, 2002). In understanding the unique characteristics of private clubs, it is important to recognize each club member as an owner of the organization, since each member has joined, been accepted, has paid an initiation fee, and continues to pay monthly dues (Cha et al., 2011; Cichy et al., 2013a,b). Private club members are more attached to their own clubs, compared to customers in other segments of the hospitality industry, because of the selective nature of membership (Cichy et al., 2015). Private clubs are based often on multi-generational family memberships, so SBPs could help these clubs exist for many generations to come.

SBPs may be categorized broadly into people, planet, and profits.

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