



Explicating restaurant performance: The nature and foundations of sustainable service and organizational environment



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ABSTRACT

This study examines whether the sustainable service and organizational environment of influential restaurant industry managers predict firm performance. We introduce a multiple mediation-moderate effects of the organizational environment: encouragement, pressure, and resources. These effects predict an organization's performance, which we describe as providing an overall impression for customers and increasing the operation's profit. We examined 464 firms whose names were listed with the Ministry of Economic Affairs. These firms have creative life industry certification from the restaurant or county environmental protection bureau as environmental protection restaurants. The results of our study revealed two critical mediators of perceived innovation and organizational resources that connected the relations between sustainable service and an organization's performance. Additionally, our study found a significant interaction effect between encouragement and (competitive) pressure moderating the relationship between perceived innovation and the organization's ability to harness resources.

1. Introduction

In response to climate and other environmental challenges, consumers have requested that the tourism and hospitality industry change its service pattern to provide services in a sustainable manner to balance environmental, social and economic needs (Sigala, 2013; Sims, 2009). The restaurant industry is confronting higher production costs and pollution fines; therefore, providing sustainable food and practicing sustainable service through innovation technology and management has become an important issue for restaurants' future development (Gössling, 2002; Gössling et al., 2011; Chou et al., 2016; Horng et al., 2016; Wang et al., 2013). However, innovation is the product of the interaction between individuals and the environment; the organizational environment plays a very important role in the production process (Tipu et al., 2012). The implementation of a sustainable organizational culture is the primary factor in continuing to promote sustainable services in the tourism and hospitality industry (Horng et al., 2016; Sigala, 2013). Amabile (1996) noted factors in the organizational environment such as resources, encouragement, challenges and work pressure influence organizational innovative. In particular,

resources, encouragement and pressure are often the key factors that affect the diffusion of eco-innovations (Karakaya et al., 2014). In addition, in Rogers' innovation diffusion theory, organization members' perception of innovation influenced whether they accepted a new idea or technology to attain performance goals (Mintrom, 1997; Rogers, 2002, 2003). Empirical hospitality studies have confirmed that organizational resources have a positive effect on service innovation performance (Horng et al., 2013; Karakaya et al., 2014). However, the organization innovation and sustainable development research remains in the development stage; the relationships among the promotion of sustainable services, environmental factors and performance are not clear (Chou et al., 2016; Horng et al., 2016; Wang et al., 2013). There remains a need to further investigate the role of the organizational environment in the sustainable service and performance of the restaurant (Chou et al., 2016; Horng et al., 2016; Hu et al., 2013a,b). Based on the above, the first contribution to the literature in this study was to construct a model to describe a restaurant's sustainable service, organizational environment and performance relationship. Amabile (1996) also noted that innovation is the product of the interaction between individuals and the environment. Therefore, organizational

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environment factors play a very important role in the innovation process. In particular, the restaurant service relies greatly on manpower. The business size is often small; therefore, the restaurant organization behavior and sustainable development needs more discussion (Chou et al., 2012; Chou et al., 2016). Based on the above, the second contribution of the study is the confirmation of how the organizational environment sub-dimensions such as resources, perceived innovation encouragement and pressure impact restaurants' sustainable innovation development. This study can enable academic researchers to understand the uniqueness of the restaurant organization.

Therefore, this study expands and elaborates on restaurants' sustainable service innovation framework and develops specific hypotheses to empirically test the relations among sustainable services, organizational environment and the operation's performance. This study conducted an empirical test of a Taiwanese survey to promote sustainable service restaurants. Our findings provide strong support for perceived innovation, organizational environment and operational performance in addition to some interesting insights and empirical work on the emerging research topics of restaurants' sustainable services. The conceptual model of hypothesized relations in this study is presented in Fig. 1.

2. Theory and hypotheses

2.1. Organizational environment

Currently, due to growing environmental problems, providing sustainable service is itself an innovative action for an organization (Horng et al., 2016; Roy, 2000). With a tightening environmental policy and the restaurant industry confronting higher production costs and pollution fines, providing sustainable service through innovation technology and management has become an important issue for restaurants' future development (Chou et al., 2016; Horng et al., 2016; Wang et al., 2013). Although organizational innovation requires incentives from the environment, innovative ideas are the product of interactions between individuals and the environment. The organizational environment plays a very important role in the production process (Tipu et al., 2012). Edquist (2005) noted that organizational innovation develops organizations through learning to create new and useful ideas; to promote innovation activities, organizational environment factors are key innovation performance effects (Cheng et al., 2010; Hu et al., 2009). The majority of the innovation-related research divides the environment into the working environment and the social environment (Jones, 2010). Amabile (1996) noted factors in the organizational environment

such as encouragement, team support, adequate resources, job challenges, freedom, hindrance, and work pressure that influence innovative organizational performance. In particular, resources, encouragement and pressure are often the key factors in the organizational environment that affect sustainable innovation (Karakaya et al., 2014). In addition, based on Rogers' innovation diffusion theory, organization members' perception of innovation influences whether they accept a new idea or technology to attain performance goals (Mintrom, 1997; Rogers, 2002, 2003). Based on the above, this study defines the organizational environment as the number of resources invested, the level of staff encouragement provided, and the pressures and the perceived innovation levels of the restaurant in promoting sustainable services to achieve business objectives. First, Edquist (2005) notes that new ideas and innovation concepts require adequate resources, such as capital, manpower, equipment, information and investment, for implementation. In the innovation diffusion process, the perceived strength of innovation can produce benefits; this is the primary factor influencing the willingness of enterprises to invest in resources. Because of their lack of resources, small enterprises require sufficient motivation to improve innovation (Chan et al., 1998; Sundbo, 1997).

Second, in the organizational climate-related research, encouragement and pressure often play moderating roles between organization innovation and performance (Chang and Teng, 2017; Hsu and Fan, 2010; Jaiswal and Dhar, 2015). Organizational encouragement and impediments are closely related to employee creativity and the application of resources to innovation development (Amabile, 1996; Chang and Teng, 2017; Jaiswal and Dhar, 2015). Particularly in the innovation process, the organization encounters a variety of obstacles; however, the organization must utilize various methods to encourage members to take more action and create more opportunities to achieve innovation (Löfsten and Lindelöf, 2002; Lin, 2007). In their research, Ekrot et al. (2016) noted that encouragement has a mediating effect; encouragement can enhance project manager organizational commitment. In addition, pressure, such as social and government requirements, from the external environment will improve the organization's innovation development (Popp et al., 2011; Tan and Yeap, 2012). The organizational institutional pressure enhances the performance and the survival probability (Colwell and Joshi, 2013).

Pressure is considered the primary reason for the organization to turn to sustainable management and performance (Wolf, 2014). Pressure is the direct effect of the organizational environment on the members of the organization. An organization's member encountering work pressure and other job challenges may use those challenges,

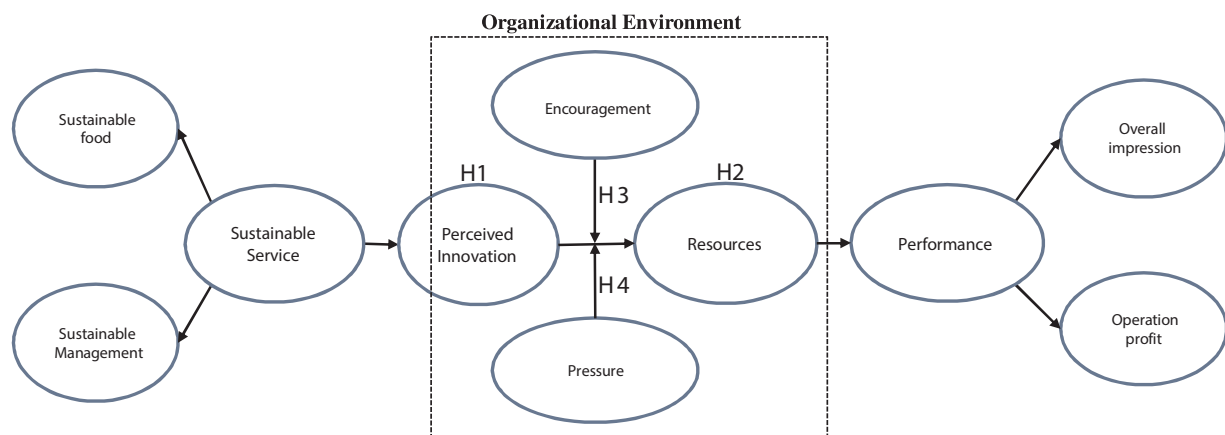


Fig. 1. Conceptual model of hypothesized relationships.

H1. Perceived innovation positively mediates the relationship between sustainable service and resource.

H2. Resources positively mediate the relationship between perceived innovation and performance.

H3. Encouragement positively moderates the relationship between perceived innovation and resources.

H4. Pressure positively moderates the relationship between perceived innovation and resources.

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