THE IMPACT OF ESG ON HOTEL CORPORATE REPUTATION:

THE MODERATING ROLE OF CASINO OPERATION

By

Nurudeen Opeyemi Wahab

A thesis submitted to the Alfred Lerner College of Business and Economics in partial fulfilment of the requirements for the degree of Master's in Hospitality Business Management

Spring 2025

THE IMPACT OF ESG ON HOTEL CORPORATE REPUTATION:

THE MODERATING ROLE OF CASINO OPERATION

By

Nurudeen Opeyemi Wahab

Approved: ______________________________

Hong Soon Kim, Ph.D.
Professor in charge of thesis on behalf of the Advisory Committee

Approved: ______________________________

Timothy DeSchriver, Ph.D.
Interim Chair of the Department of Hospitality & Sports Business Management

Approved: ______________________________

Oliver Yao, Ph.D.
Dean of Alfred Lerner College of Business and Economics

Approved: ______________________________

Louis F. Rossi, Ph.D.
Vice Provost for Graduate and Professional Education and
Dean of the Graduate College

ACKNOWLEDGMENTS

First, I would like to express my sincere appreciation to my advisor, Dr. Hong Soon Kim, for his guidance, advice and relentless effort throughout my thesis journey. He dedicated a significant amount of time to ensure that I finish in time and produce high-quality work. Please note that words alone cannot express how grateful I am for your mentorship and the knowledge you have passed on to me. I would also like to express my gratitude to my committee members, Dr. Francis Kwansa, Dr. Sangwon (Sean) Jung, and Dr. Tim Webb for their expertise and constructive feedback provided during my presentation. Their insights and constructive feedback have been highly helpful in enhancing the quality of my thesis. I would also like to thank Ms. Jennifer Reigner for her superb administrative assistance throughout my stay in the department. There are also many great faculty members that I must extend my appreciation to for their knowledge sharing: Dr. Beldona, Dr. Shwartz, and Dr. Ronnet (Sociology Department). Finally, I sincerely appreciate my family for their love and support while I am away from home. Especially, I truly and deeply appreciate my wife, Zainab Bello, for her emotional, spiritual and mental support and sacrifice throughout my time here. I love you so much baby and will forever do. I sincerely thank my parents: mother, grandfather, father-in-law and mother-in-law as well as my siblings, uncles and aunties for their support, love and care they have shown me.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

ABSTRACT

Despite the ample empirical evidence on the ESG-firm outcome relationship, the implication of ESG on reputation, specifically in the hospitality industry, remains underexplored to date. Therefore, this study examined the ESG-corporate reputation relationship with moderating effect of casino operation. Drawing on Signaling and Legitimacy theories, this study addressed the current research by applying a linear regression with panel data drawn to analyze data on 24 public hotel firms in the United States between 2002 and 2023. Specifically, the result reveals that: environmental performance decreases corporate reputation, social performance has no significant effect on corporate reputation, while governance performance increases corporate reputation. In terms of the moderating effect, this study found that: casino operation positively moderates the environmental performance-corporate reputation relationship while negatively moderating both social performance-corporate reputation and governance performance-corporate reputation relationships. Theoretically, this study extends ESG -corporate reputation literature by providing a logical discussion about how each dimension of ESG is related to building a strong corporate reputation. In addition, this study advances the ESG studies in the field of hospitality management by introducing casino operations as a moderator factor, highlighting how industry-specific characteristics shape the ESG-corporate reputation relationship.

Chapter 1

INTRODUCTION

1.1 Background and Rationale

Environmental, social and governance (ESG) practices guide corporate actions and inform the public about a firm's values, goals and potential challenges (Jamali et al., 2019). As noted by Gupta (2021, p.1) "while CSR aims to make a business accountable, ESG criteria make such business efforts measurable." As a result, ESG has gained tremendous consideration in the business world—due to increasing pressure from concerned stakeholders for companies to incorporate sustainable and responsible practices (He et al., 2024; Ioannou & Serafeim, 2015). This growing interest in ESG has become important for compliance and risk managers, customers and investors who are not only assessing a firm's financial stability in making investment decisions but also its sustainability practices (Kim et al., 2019; Driessen, 2021; Kruesi & Remy, 2024). ESG is now considered a topic of discussion in the boardroom and a key expectation from concerned stakeholders (Porter, 2021; Chen et al., 2022).

Thus, from a theoretical perspective, it is consequential to understand how and why firm's ESG could contribute to its organizational outcome specifically, the hospitality industry with high level of carbon footprint (Ricaurte & Jagarajan, 2021).

The hospitality industry has experienced a heightened emphasis on ESG initiative due to its significant environmental impact (Legrand et al., 2013; Singal, 2014), and exposure to operational risks (Kim et al., 2021; Singal, 2015). The industry's adverse social and environmental impacts have increased the awareness of the importance of ESG practices among key stakeholders (Li et al., 2025). Hence, firms under the industry are setting internal sustainability goals to enhance their ESG impact (Kiliç, 2021). Hotel plays a major role in contributing to environmental degradation through high level consumption of natural resources, non-renewable energy, and substantial production of waste and greenhouse gas emissions (Singhal, 2014; Sloan et al., 2009; Verman & Chandra, 2018). This is concerning given the current scale of the hotel industry and its projected future growth (Facts & Factors, 2022).

For example, Marriot Hotels has introduced several sustainable and environmentally friendly initiatives such as eco-pillows, biodegradable laundry bags, eco-friendly key cards, low-volatile organic compounds paint and many other initiatives to lower its carbon footprint (Marriot, 2023; Zhao et al., 2025). Similarly, Hilton Hotels & Resorts have shown continuous commitment to ESG practices through its "Travel with Purpose" initiatives to reduce carbon footprint by reducing water usage, and food waste, sustainable cuisine and net zero operations (Hilton, 2023).

As a result, ESG has moved from being just a compliance requirement to a strategic implementation for hotels firms to promote their corporate reputation and consequently long-term competitiveness (García-Sánchez et al., 2020; Theodoulidis et al., 2017). As the hotel industry adapts to the difficulties posed by resource scarcity, environmental degradation, and changing stakeholders' expectations (Moscardo, 2019), strategically incorporating ESG into their business operations has thus become highly important (Higgins-Desbiolles, 2020; Legendre et al., 2024). For example, about 70 percent to 78 percent of travelers have shown preference for hotels that utilize sustainable practices (Booking.com, 2022; Liu, 2022). Therefore, sustainability has gained tremendous attention in the hotel industry, and has generated stakeholders' interests (Kim et al., 2019; Kruesi & Remy, 2024).

Considering the importance of sustainable practices in the hotel industry, it is unsurprising all major hotel chains have adopted strategies such as investing in ESG initiatives to reduce their carbon footprint, and decrease waste production (Ricaurte & Jagarajan, 2021). Despite the increasing attention of researchers on the outcomes of ESG (e.g., Ioannou & Serafeim, 2015; Chen, et al., 2022; He et al., 2024), the mixed findings on the outcomes cast doubt on whether ESG investments are worth pursuing (He et al., 2024). Specifically, previous hospitality related studies have examined the association between ESG and its consequence on firms' outcomes (e.g., Franco et al., 2019; Inoue, & Lee, 2011; Shim et al., 2021). However, the outcomes from these studies are inconsistent and inconclusive.

For instance, some studies established a positive association between sustainability initiative and its organizational outcome (e.g., Inoue & Lee, 2011; Kang et al., 2010; Lee & Park, 2009; Molina-Azorin et al., 2009; Theodoulidis et al, 2017). Specifically, Lee and Park (2009) used aggregated ESG data for both hotel and casino companies. The authors found a positive relationship between the aggregated ESG data and financial performance while no relationship was established for the casino companies. Further, Molina-Azorin et al. (2009) samples Spanish hotels in their study and collected data using survey questionnaires. They also found a direct relationship between CSR and performance. Based on these findings, a recommendation was made for the hotel companies to strategically increase their sustainability investment for the benefits of short-term and long-term performance.

In contrast, other studies have found negative consequences of ESG on firm outcomes (e.g., Cordeiro & Sarkis, 1997; Duque-Grisales & Aguilera-Caracue, 2021; Folger-Laronde et al., 2020; Marsat & Williams, 2011). Using a sample of 523 US firms Cordeiro & Sarkis (1997) examined corporate environmental pro-activism on financial performance measured by one-year earnings per-share forecasts and found a significant negative relationship. Folger-Laronde et al. (2020) in their study using multivariate linear regression model found a negative relationship between ESG and financial returns during COVID-19 pandemic. This finding offers unique insights that during market downturns, firms' investment in sustainability seems not to be beneficial. The ambiguity in findings underscores the importance of conducting more targeted studies on the relevance of ESG initiatives. Specifically, within specific industries where such initiatives matter such as hotels with interest in sustainability practices.

The inconsistencies in the extant literature are attributed to several reasons such as the use of multi-industry samples, cross-sectional observations (Godfrey & Hatch, 2007), subjective measures (i.e. survey questionnaire), small sample issues, and the use of aggregated ESG score which may be biased and the variability of methods used by the rating agencies (Berg et al., 2022; Godfrey & Hatch, 2007; Thirumalesh Madanaguli et al., 2023). While the above approaches have their advantages, they also suffer some limitations. For instance, the use of survey questionnaires is prompt to response bias and measurement error (Conway & Lance, 2010; Min et al., 2016). The small samples raise a question about representativeness and generalizability (Lindell & Whitney, 2001; Podsakoff et al., 2012).

Focusing on a single industry is important because “industries exhibit special uniqueness in the that the internal competencies or external pressures inherent in the industry create a ‘specialization’ of social interests” (Griffin & Mahon, 1997, p.10). In other words, because every industry encounters different social concerns catalyzed by internal and external actors, the organizational outcomes derive from a particular initiative may vary depending on the industry (Griffin & Mahon, 1997; Inoue, & Lee, 2011).

Furthermore, the utilization of aggregated ESG score obscures the identification of individual effects as specific dimensions of environmental, social and governance performance may have different impacts, making the findings less generalizable

(Thirumalesh Madanaguli et al., 2023; He et al., 2024). Assessing the individual ESG dimension explicitly provides a deeper understanding of how best the hospitality industry can utilize sustainability investments in addressing organizational outcomes and managing risks (Amel-Zadeh & Serafeim, 2018). Theodoulidis et al (2017) further noted that ESG dimensions affect organizational outcomes differently. Therefore, evaluating individual dimensions of ESG enables tailored interventions to improve performance in certain areas, resulting in more effective strategic effort (Grewal et al., 2017).

Despite the ample empirical evidence on ESG-firm outcome relationship as discussed and cited previously, the implication of ESG on reputation specifically in the hospitality industry remain underexplored to date. From a managerial standpoint, firm reputation has long been acknowledged as an important source of competitive advantage and a valuable asset that drives sustained and superior market performance (Deephouse, 2002; Ali et al., 2015). Moreover, firms with a strong corporate reputation are linked with favorable financial performance (Gatzert, 2015; Vig et al., 2017), attract top talents (Turban & Cable, 2003; Collins & Han, 2004; Wang, 2013) and secure profitable strategic alliance (Rhee & Valdez, 2009).

Based on signaling theory, reputations specifically for hotels —acts as an informational cue that helps guests make informed decisions about selecting or returning to a hotel, especially when direct evaluation is difficult, and which can enable firms to charge premium prices (Rehman & Pal, 2020; O'Connor & Assaker, 2022). In the hotel industry, the intangible and diverse nature of service provision makes it difficult for guests to evaluate the quality of service prior to their stay (O'Connor & Assaker, 2022). Thus, to make decision, guests rely on their perception of the hotel's reputation, external factors, other stakeholders' review or their personal past experiences (Mariño-Romero et al., 2020).

Given that the hotel's ESG serves as an external signal of a hotel's commitment to sustainability, investigating its impact on reputation is crucial. In addition, ESG can influence stakeholder perceptions and decision-making (García-Sánchez et al., 2020), making it possible to assess their influence in shaping hotel corporate reputation. Therefore, this study investigates how ESG enhances hotel's corporate reputation.

Given that casino firms that also provide lodging operations in addition to gaming often face scrutiny from different stakeholders due to the perceived nature of the firm as a sin industry (Hing & Mackellar, 2004). Firms that sell or deal with gambling, alcohol, weapons, tobacco, abortion and related operations are stigmatized due to society's perception of that product and services even though such offerings are not illegal in some context (Liu et al., 2014). Controversial business operations like Casino are commonly stigmatized or considered as sinful due to the kind of products or services they provide such as gambling addiction which cause harm to the society or individuals (Lindgreen et al., 2012; Vong & Wong, 2013). Thus, another focus of this study was to examine the moderating effect of casino operation on the ESG-hotel corporate reputation relationship.

To address the existing research gaps, this study aims to investigate the impact of ESG on hotel corporate reputation with a multi-faced approach. First, unlike general industry studies, the unique nature of hotels where sustainability practices are of importance require a specific study. Therefore, this research focuses on hotels specifically, which is highly sensitive to stakeholder perceptions in relation to ESG. Second, to bridge the limitation of the subjective measures, this study employs a quantitative approach to test the impact of ESG practices on hotel corporate reputation.

Third, while aggregated ESG scores offer a broad assessment of a firm's overall sustainability performance, they often delimit the individual and varied impacts of environmental, social and governance elements. This is because the aggregated score effect may result from a strong performance in one dimension alongside a weak performance in another dimension. For instance, a hotel with weak environmental policies but strong social and governance policies may still have a favorable aggregate ESG score, resulting in misleading conclusions. Therefore, this study uses a more granular approach by evaluating the impact of each dimension of ESG separately with the hope of providing insights and a more specific comprehension of their respective contributions to corporate reputation.

For several reasons, assessing the reputational benefits of ESG for the hotel industry is important. To begin with, when hotels demonstrate a commitment to ESG practices and become sustainable, stakeholders view them more favorably (Helm, 2007; Bartikowski et al., 2011). As a result, exploring ESG-reputation nexus will help hotels understand the direction and magnitude of ESG and which dimensions contribute to reputation the most. This will allow hotel firms to know exactly which element to prioritize and focus their initiative on. Linking ESG to corporate reputation offers a strategic lens to comprehend how sustainability practices influence stakeholder trust as well as perceptions. This is because stakeholders are now given attention to businesses that are operating in a socially and responsibly manner (Xu & Gursoy, 2015; Merli et al., 2019; Balaji et al. 2019).

Second, corporate reputation as an important intangible asset can significantly impact firms' outcome (Deephouse, 2002). Hence, understanding how ESG affects reputation can help provide valuable insights for hotels for strategic decision-making. In addition, in a highly proliferated industry like hospitality with many choices available to consumers, maintaining a good reputation serves as a source of competitive advantage (O'Connor & Assakar, 2022; Bartikowski & Walsh, 2011). Therefore, it is important to empirically establish whether such a reputation can be achieved through ESG for hotels. Moreover, while ESG impact has been explored in different sectors, the unique characteristics of hotel industry being a major contributor of greenhouse gas emission and substantial resource consumption necessitate industry-specific exploration to offer unique and tailored insights (Verman & Chandra, 2018; Ricaurte & Jagarajan, 2021).

Therefore, this research will not only address a critical gap in the extant literature but also offers actionable recommendations for hotel practitioners and managers on how to leverage ESG strategies as a mechanism for strengthening their corporate reputation and accomplishing sustainable growth. The specific objectives of this study are as follows:

1. To formulate a theoretical framework for the relationship between ESG and hotel corporate reputation,
2. To establish the moderating role of casino operations on the relationship between ESG and hotel corporate reputation
3. To provide implications for academic and industry practitioners.

Chapter 2

LITERATURE REVIEW

2.1 Evolution and Definition of ESG practices

In 1987, the term or concept of sustainability development was first introduced by the United Nations. It is considered the approaches to fulfilling the needs of the present without comprising the ability of future generations to meet their own needs (United Nations, 1987). Since then, businesses have been facing increasing pressure from social groups and non-governmental organizations to improve their investment in sustainable practices (Chen et al., 2022). While navigating emerging legislation and initiatives efforts to strengthen ESG policies (Kimpel, 2021).

Following the incorporation of sustainability practices into corporate activities, the concept of ESG emerged and has evolved over the years. In 2004, Kofi Annan who was the UN Secretary General at the time pioneered the collection of the best practices geared at fostering ethical business practices in the 2005 UN report entitled "Who Cares Wins: Connecting the Financial Markets to a Changing World" (Rani et al., 2025; Shen et al., 2023). The report categorized the ethical practices into three different interests: environmental, social and governance practices, otherwise called ESG practices.

While ESG and corporate social responsibility (CSR) are sometimes used interchangeably in the literature, it is important to note that they are different with separate definitive goals and attributes (Wan et al., 2022). ESG is considered both a construct and acronym that highlights three distinct but interconnected central areas of firm interests — Environmental, Social and Governance (Duckler, 2023; RepTrak, 2023). ESG practices focus on evaluating a firm's sustainability and ethical practices through measurable criteria (Chen, et al., 2022).

In contrast, according to the Commission of European Communities (2001, p.6) CSR is defined as "a concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with their stakeholders on a voluntary basis." Based on the above definition, it is clear that businesses are expected to implement the practices voluntarily, without imposition by other entities. This suggests that firms not only adhere to the mandated or imposed regulatory rules and norms governing their business operations but also extend their actions to voluntarily meet the expectations of different stakeholders concerned. Thus, CSR is a broad framework that addresses social, environmental and economic factors affecting a company's policies, operations and decision-making (Chen et al., 2022).

In comparing the two concepts, one of the key differences between CSR and ESG is that CSR mainly focuses on addressing a particular social issue driven by the firm's intrinsic motivations (Rani et al., 2025). While ESG aims at accomplishing those issues by implementing specific traceable sustainable practices (Rani et al. 2025). Furthermore, CSR aims to hold firms accountable for their actions in achieving better social responsibility. ESG on the other hand, provides measurable parameters for stakeholders to evaluate the firm's actions via their ESG scores, performance or ratings which are useful for decision-making (Hallgren, 2021).

In addition, CSR aid firms in effectively conveying its values to the stakeholders, promoting a healthier work environment. ESG, on the other hand, allows a firm to communicate to both current and potential investors that its socially responsible efforts are yielding results (Gillian et al., 2021). Moreover, ESG practices have become mandatory, especially in financial reporting and sustainability disclosure and are expected to be reported by publicly traded firms in some climate. It is, however, important to note that ESG compliance is not uniform across the globe and industry, but it is progressively expected by investors, regulators and other stakeholders.

Whereas CSR efforts are yet to be considered a mandatory practice, it is mostly left to be driven by the individual firm's value, stakeholder expectations and for achieving competitive advantage. Though, some industries (e.g., extractive, manufacturing) encounter stricter CSR obligations, mostly in the area of environmental and human rights (e.g., labor laws) (Wirba, 2024). In other words, based on the explanation and comparison provided above, it can be concluded that ESG practices build upon CSR by converting its abstract principles into quantifiable standards enabling stakeholders to assess or evaluate the firm's effort towards socially responsible initiatives (Su & Cen, 2020). While CSR is a set of practices, principles and activities aims to effectively manage issues that relate to social, governance and environmental concerns (Su & Cen, 2020).

It can therefore be said that without the presence of CSR, there would be no ESG. Therefore, ESG are criteria or framework that build on the principles of CSR and used by stakeholders to assess how the concerned firms navigate risks and capitalize on opportunities associated with environmental, social and governance factors (Pal, 2021; Lim et al., 2022; Yu et al., 2025). However, the undoubtedly shared attribute between the two concepts of CSR and ESG is that they both incorporate sustainability in their principles and practices and are both useful for maintaining relationships with stakeholders.

As earlier stated, the ESG comprised of three different factors: environmental, social and governance performance (Berg et al., 2022). The environmental pillar pertains to a firm's contribution to their immediate business environment in addressing issues of environmental concern such as climate change, pollution control, greenhouse gas emissions, water usage and resource conservation efforts (Darvishmotevali & Altinay, 2022). Therefore, the environmental pillar centers on a firm's effort to address environmental risks, foster sustainability, and minimize its environmental footprint (Witold, 2019). Firms are being evaluated on their respective policies and practices in achieving the above-mentioned factors and ranked favorably where they perform better.

Further, the social pillar relates to how organizations and their business operations affect its stakeholders, encompassing aspects such as employment practices, diversity and inclusion, labor relations, charitable activities, workplace health and safety as well as employee training and development (Lim et al., 2022). Specifically, the social pillar or factor evaluates how a firm interacts with its overall constituents (e.g., employees, customers, suppliers and the host communities in general). Firms are generally assessed based on their social impact, ethical conduct and contributions they make to the social well-being and development, highlighting their role in society and the reputation they build concerning social issues (Witold, 2019).

The governance pillar relates to how a firm regulates itself, with emphasis on internal controls and mechanisms to ensure compliance with regulations, industry best practices and corporate policies (Yu et al., 2025). Such policies include leadership and management structures, board composition, financial transparency, decision-making processes and ethical business practices to ensure effective management (Bae, 2022). The governance dimension is critical for managing a firm efficiently and effectively, making informed decisions, complying with legal requirements, and addressing the concerns of external stakeholders (Witold, 2019). Firms that fail to meet the above three criteria risk damaging their reputation, specifically in the case that these criteria align with the societal expectations (Danziger, 2023; Koh et al., 2022).

Hence, firms that prioritize ESG activities are better regarded as likely to generate long-term value for its stakeholders, thereby ensuring competitive advantage and growth (Yang & Jang, 2020). Moreover, empirical studies have demonstrated that ESG practices can create value for firms in terms of enhancing reputation, and stronger investor confidence (Friede et al., 2015; Giglio et al., 2025; Gómez-Bezares et al., 2016).

2.2 ESG and its benefits in the hospitality industry

The hospitality industry has a considerable environmental impact due to its contribution to carbon footprint, high water and energy consumption and significant waste generation among other factors (Dogru et al., 2022; Pan et al., 2018; Ricaurte & Jagarajan, 2021). According to Cohen et al (2014), it is projected that the hospitality industry will account for about 40% of the global greenhouse gas emissions by the year 2050. Thus, the industry's social and environmental challenges have raised awareness of the need for ESG practices among concerned stakeholders (Kılıç et al., 2021).

However, engaging in ESG practices can help the hospitality industry in many ways. Investing in ESG can help advance sustainability and climate-related goals while also generating financial returns and aligning with broader societal values (Lins et al., 2017; OECD, 2021). During the COVID-19 pandemic, ESG practices proved to be important, as research indicates that hotel companies with higher ESG ratings demonstrated greater resilience to the economic shock (Chen et al., 2022; Lin et al, 2023). Moreover, previous studies indicate that hotels with sustainability certifications can improve their key performance measures by leveraging a first-mover advantage (Bianco et al., 2023).

Additionally, allocating resources to ESG-related initiatives helps mitigate the risk of non-compliance (Kumar, 2023). ESG practices particularly for hotels can help mitigate different risks such as social conflicts, labor practices, environmental degradation and community relations (Goss & Roberts, 2011; Legrand et al., 2013; He et al., 2024). By effectively mitigating these risks, firms with strong ESG may be seen by lenders or investors as less risky borrowers (Cheng, et al., 2014). This is specifically important for hotels, because their high capital intensity makes them more dependent on debt financing relative to business formation in other industries (Singal, 2015).

The customers' perspective and preferences regarding the extent and manner in which ESG practices are being applied in the hospitality companies have been examined (Moon et al., 2022). The extent to which ESG practices and sustainable practices influence customer demand have also gained popularity (Hassan & Meyer, 2022). For example, Appiah (2019) demonstrates that community engagement, which is one of the key elements of the social dimension of ESG initiative, is linked to higher employee job satisfaction. This is similar to the position of Lee and Park (2009) that engagement of hotel firms in socially responsible activities can improve their customer loyalty which then leads to superior financial performance.

Further, Goss & Roberts (2011) reported that hotels with better governance practices exhibit strong financial performance and lower agency costs—highlighting the significance of governance practices in the hospitality industry. Therefore, according to this line of reasoning, it is expected that hotels firms with a high performance on ESG will enjoy the opportunity to mitigate several risks such as debt-financing issues which may signal a good reputation for stakeholders. However, a small number of studies have been conducted on the reputational impact of ESG practices in the hospitality industry.

Therefore, there appears to be a significant gap in regard to the strategic importance of ESG practices in enhancing the corporate reputation of hospitality firms.

2.3 Previous findings of the impact of ESG on firm performance

The changing business practice involving the legal, social and financial responsibilities alongside stakeholders' interest in transparency and sustainability initiatives, have ignited the demands for organizations to carry out their business activities beyond the primary interests of shareholders (Behl et al., 2022; Waddock, 2004). However, the major question emanating from the above argument is what degree a firm needs to trade-off profitability for implementing ESG initiatives (Morgenstern et al, 2022). This is because based on the stakeholder theory, firms expect to gain some financial return when dedicating their resources to meet the stakeholders' interests or expectations (Freeman, 1984).

Furthermore, Cornell and Shapiro (1987) contend that the inability of a firm to meet the expectations of the stakeholders leads to higher costs, which negatively affect their profitability. The authors claim that firms with a strong ESG, firms enjoy high customer retention rates, improve their reputation and subsequently increase their financial performance. A meta-analysis of 52 studies conducted by Orlitzky et al (2003) revealed that there is a positive relationship between ESG practices and firm financial performance. The study concluded that firms with strong ESG practices enjoy better performance than their peers with less ESG practices.

Another spectrum of literature that reported a positive ESG practices and firm financial performance relationship from a causality direction is the slack resources. It is argued that enhanced financial performance enables firms to possess excess resources, which then allow them to prioritize and engage in ESG practices (Bodhanwala & Bodhanwala, 2022; Waddock & Graves, 1997). The above position is supported by an earlier study of McGuire et al (1988) who argued that the financial credibility of a firm serves as a better explanatory variable for CSR practices, supporting the slack resources assumption.

Velte (2017) studied the relationship between ESG practices and firm performance of German-listed companies between 2010 and 2014 with a 412 firm-year observation. The author employed two distinct performance measures of accounting (i.e. return on assets) and market-value performance-based metric (i.e. Tobin's q) both at one-year lagged, while controlling for covariates like firm size, risks, industry and R&D investment. The justification for the use of lagged variables was that ESG practices will not immediately result in increased financial performance (Choi and Wang, 2009). The authors concluded that there is a positive relationship between ESG and firm performance.

In line with the above, other studies have also reported and linked ESG practices to a different favorable outcomes such as enhancing the productivity of sustainable conscious employees (Valentine & Fleischman, 2008); increasing access to low-cost financing debts (Cheng et al., 2014; Shin, 2021); and attracting top talented and well qualified employees (Greening & Turban, 2000). Hou (2019) and Peng and Isa (2020) revealed that actively investing in ESG related activities brings benefits to firms such as improved employee productivity, strong relationships with the stakeholders and the host community where the firms operate. Moreover, Shi and Veenistra (2021) contend that giving importance to building strong relationships with stakeholders can help firms build strong reputation, the potential to attract top talents and customer loyalty — leading to high financial performance and overall firm's competitiveness.

In contrast, it is, however, argued that investing in ESG-related initiatives may affect the financial reward of the shareholders (Hwang et al., 2024). This is because their utmost interest is getting rewarded for their investment in the firm. This is in line with the agency theory, which asserts that involving in responsibilities like ESG initiatives, may result in conflict of interests between the firms and the shareholders as this may not be in the best of their interests (Jensen & Meckling, 1976; Peng & Isa, 2020). This is because a firm's primary responsibility to shareholders is to allocate their resources to business activities that would enable them to maximize their profits or return on their investment (Friedman, 1970; Hwang et al., 2024). Thus, it is argued that investing in ESG practices may lead to increased operating expenses, and as a result reduced profitability (Qureshi et al., 2021).

Waddock and Graves (1997) neo-classical theorists, asserted that investing in social related activities, shift the focus of the organization's management away from pursuing stakeholders' interests into activities that would increase their operational costs with limited financial returns, resulting in decline in profitability and shareholder wealth. The above views are empirically supported by several of the existing literature. To begin with, the study of Jensen (2002), found that while investing in sustainable practices and social issues is encouraging, it however, has a negative impact on firm financial performance. The author further argued that social welfare can be achieved when firm prioritizes increasing their firm's value.

In another study, Elsayed and Paton (2005) investigated the contribution of environmental performance to financial performance on a sample of 227 UK firms covering 6 years between 1994 and 2000. The authors employed Tobin's q, return on asset and return on investment as a multi-dimensional measure of firm performance. Following the analysis, the authors established that the relationship between environmental practices and financial performance is neutral. In other words, there is no significant relationship between ESG practices and financial performance. Another study by Barnett and Salomon (2006) revealed a curvilinear relationship between ESG and financial performance. Although, the authors contend that while a certain threshold of ESG practices optimizes financial performance, further increment in ESG investment may reduce the financial returns.

Based on a sample of 104 companies in five Latin American nations from 2011 to 2015, Duque-Grisales and Aguilera-Caracuel (2021) examined the relationship between ESG score and firm financial performance. The researchers found that there is a negative relationship between ESG scores, and the financial performance of the firms sampled. In tandem with the assertion of other scholars like Friedman (1970) trade-off theory which asserts that firms should only channel their resources on primary business activities to maximize utmost profitability rather than being distracted by ESG initiative. The authors contend that firms that make high level of ESG investment divert resources from operations and reduce their cash flow, resulting in a decrease in profitability.

Other scholars (e.g. McWilliams & Siegel, 2000; Ullman, 1985) found no relationship between ESG practices and financial performance. These set of scholars contend that the possible reason for the no relationship could be partly explained by the by too many confounding variables in place when investigating a direct relationship between ESG practices and financial performance. In the same vein, McWilliams & Siegel (2000) demonstrates that the positive effect of ESG practices on financial performance dematerializes or ceases to exist with the inclusion of R&D expenses in the research model, highlighting possible misspecification in the prior models.

Nollet et al (2016) analyzed the impact of corporate social performance on firm financial performance across different American companies. The researchers reported that there is no significant linear relationship between the ESG-scores of the sampled firms and the financial performance. In support of the argument of Barnett and Salomon (2006) that a certain threshold of ESG practices optimizes financial performance. The researchers further reported a quadratic relationship between ESG-scores and financial performance, suggesting that it generates returns only after a certain level of investment and progress has been accomplished. In other words, until a specific critical threshold is reached, ESG investments may have a negative effect on financial performance.

2.3.1 Inconsistencies of results

The inconsistencies in the extant literature on the link between ESG practices and firm performance are attributed to several reasons such as the use of multi-industry samples, cross-sectional observations (Godfrey & Hatch, 2007), subjective measures (e.g., survey questionnaire), small sample issues, geographical/institutional difference, and the use of aggregated ESG score which may be biased and the variability of methods used by the rating agencies (Berg et al., 2022; Godfrey & Hatch, 2007; Thirumalesh Madanaguli et al., 2023; Rezaee et al., 2023). While the above approaches have their advantages, they also suffer some limitations.

For instance, the use of survey questionnaires is prompt to response bias and measurement error (Conway & Lance, 2010; Min et al., 2016). The small samples raise a question about representativeness and generalizability (Lindell & Whitney, 2001; Podsakoff et al., 2012). Focusing on a single industry is important because "industries exhibit special uniqueness in the that the internal competencies or external pressures inherent in the industry create a 'specialization' of social interests" (Griffin & Mahon, 1997, p.10). In other words, because every industry encounters different social concerns catalyzed by internal and external actors, the organizational outcomes derive from a particular initiative may vary depending on the industry (Griffin & Mahon, 1997; Inoue & Lee, 2011).

Furthermore, the utilization of aggregated ESG score obscures the identification of individual effects as specific dimensions of environmental, social and governance performance may have different impacts, making the findings less generalizable (He et al., 2024; Thirumalesh Madanaguli et al., 2023). Assessing the individual ESG dimension explicitly provides a deeper understanding of how best the hospitality industry can utilize sustainability investments in addressing organizational outcomes and managing risks (Amel-Zadeh & Serafeim, 2018). Therefore, evaluating individual dimensions of ESG enables tailored interventions to improve performance in certain areas, resulting in more effective strategic effort (Grewal et al., 2017).

Another possible explanation for the inconsistencies of results in the literature is the use of divergent ESG ratings or scores measures. In the literature, the most cited sources of data for ESG scores or ratings are MSCI ESG ratings formerly known as Kinder, Lydenberg and Domini (KLD) (Bissoondoyal-Bheenick et al., 2024; Fatemi et al., 2018; Semenova & Hassel, 2015), Thomson Reuters' Refinitiv Eikon DataStream (Duque-Grisales & Aguilera-Caracuel, 2021; Velte, 2017), Sustainalytics (Bissoondoyal-Bheenick et al., 2024; He et al., 2024), Bloomberg Terminal database (Alareeni & Hamdan, 2020; Alsayegh et al., 2020; Aydogmus et al., 2022). The above cited databases offer a wide range of data for stakeholders like investors, researchers and consulting firms aiming to evaluate and compare ESG across industries, and firm level (Berg et al. 2022; Lin, 2024).

However, while the aforementioned databases aim to provide accurate firms sustainability and governance reports, the difference in their methodologies and validation procedure remain contestable (Cort & Esty, 2020). For instance, Refinitiv, MSCI and Bloomberg are more focused on quantitative factors while data providers like Global Reporting Initiative and Institutional Shareholders Services are more focused on qualitative factors (Lee & Park, 2009; Lyssimachou & Bilinski, 2023). Thus, the lack of standardization in ESG reporting, in addition to divergent in assigning weight to each dimension of ESG (i.e., environmental, social and governance) factors, suggests that generalization and comparisons of results across these data sources can be challenging (Bartley et al., 2017; Cort & Esty, 2020; Douglas et al., 2017).

2.4 Defining Corporate reputation

The concept of corporate reputation has gained interest in literature since the mid-1990s, when it was considered a pivotal strategic intangible asset that drives organizational outcomes (Bromley, 2000; Kim & Cho, 2024). The concept further gained momentum from the academics and industry practitioners following Fortune magazine's publication of its "Most Admired Companies" report (Deephouse, 2002). A corporate reputation which can either be good or bad, positive or negative, is a broad evaluation of firm shaped by stakeholders validated perceptions. It reflects the collective judgement of internal and external stakeholders, which is influenced by past actions and expectations of future actions (Kim & Hong, 2012). However, for a firm to be successful and profitable, it should have a good or positive reputation (Abratt & Kleyn, 2012; Herbig & Milewicz, 1995).

Although there is no consensus on the definition of corporate reputation. it has been posited by Klein and Leffler (1981), as cited in Akey et al. (2024, p. 7), that "economists have long considered reputations to be private devices which provide incentives that assure contract performance in the absence of any third-party enforcer." Following this, there have been other modern definitions of reputation. Karpoff (2012) in the *Oxford Handbook of*

Corporate Reputation defined reputation as "the present value of the cash flows earned when an individual or firm eschews opportunism and performs as promised on explicit and implicit contract." Similarly, Board and Meyer-ter-Vehn (2013) conceptualized reputation as the market's perception about product quality and modeled reputation as a function of customer's belief about a firm quality capability.

Reputation is defined by Gotsi and Wilson (2001) as the accumulated assessment of a firm by the public over time, driven by communication and corporate actions, and assessed relative to closest competitors. In another perspective, Han (2006) posited that reputation is the overall assessment of a company formed over time as a result of stakeholders' experiences with its various attributes. However, this study is premised on the spirit of the generational definition by conceptualizing corporate reputation as a valuable intangible asset that can influence consumer behavior, brand loyalty, investor confidence, and firm performance.

2.5. Importance of reputation in the hospitality industry

According to signaling theory, corporate reputation, particularly in the hotel industry, acts as an informational cue that helps guests make informed decisions about selecting or returning to a hotel by reducing information asymmetry (Bartikowski & Walsh, 2011; Rehman & Pal, 2020). In this context, reputation serves as a substitute for any missing information that guests need to make a well-informed decision (Su et al., 2017). This is especially relevant in the hotel industry, where the intangible and varied nature of hotel services make it difficult for guests to assess the quality of service they will experience at a particular hotel in advance. Guests, instead, base their decision to (re)patronize a specific hotel on their perception of its reputation, which is shaped by the opinions of other customer or their own past experiences (Mariño-Romero et al., 2020).

Furthermore, besides the financial benefits associated with corporate reputation, such as customer loyalty, management literature presents other non-financial advantages that come with a strong corporate reputation. Such advantages are often seen in voluntary actions of customers that would improve the company’s performance and increase its competitiveness beyond the financial transactions (Bartikowski & Walsh, 2011; Hwang & Lyu, 2020). These benefits are divided into three dimensions: 1) feedback (participating in surveys, suggesting ideas, reporting issues); 2) tolerance of negative experience (e.g. tolerating poor service or slow service); and 3) supporting other customers (e.g. assisting or providing other customers information on the company’s products and services) (Assiouras et al., 2019). These forms of non-financial benefits are termed customer’s citizenship behavior (O’Connor & Assakar, 2022).

Therefore, customers who possess a positive reputation of the company are likely to form a positive perception of its practices and attributes. If the customers perceive these practices and attributes as congruent to their own values, they are likely to identify and affiliate with the company through increased involvement and voluntary behavior to foster a sense of social prestige and belonging (Latif, 2021; O’Connor & Assakar, 2022). Therefore, reputation can wither away perceived risks, which has proved to be high in the hospitality related decision process (Loureiro & Kastenholz, 2011).

Existing studies like that of Lai (2019) and Kim and Kim (2016) in the hotel sector found a significant influence of corporate reputation on customer outcomes like loyalty. This delineates that hotel needs to give consideration to reputation building and carefully manage the factors that constitute favorable reputation (Latif, 2021). However, while different antecedents of corpore reputation have been explored, to date, the importance of ESG practices in the hospitality industry, and its effect on corporate reputation remains largely unexplored with existing studies rather focusing on other drivers that affect reputation. As a result, considering the large involvement and investment of hotels in the ESG practices, it is important to assess its possibility of contributing to hotel reputation. Thus, the following sections discuss literature on each of the ESG dimensions and their link to corporate reputation.

2.6 Theoretical background:

2.6.1 Signaling Theory

Signaling theory is a theoretical framework for comprehending how two parties handle information asymmetric (Wells, et al., 2011). Signaling theory, posit that one party a “signaler” embodied certain information that the other party “receiver” does not have access to which needs to be communicated to the receiver (Spence, 1973). The signaler then devises an appropriate approach to communicate information (i.e. signal) to the receiver, while the receiver interprets the signal (Connelly, 2011). Based on this, there are three main actors: the signaler, the signal and the receiver (Connelly et al., 2011; Spence, 1973). Information asymmetry is encountered when one party in a decision-making process or transaction has more details than the other (Connelly, et al., 2011; Spence, 1974). In order to reduce the level of information asymmetry, the "signaler" (i.e. firms), then convey credible information (i.e. signal) through their actions to "receiver" (i.e., stakeholders), to influence their perception and decisions (Connelly et al., 2011; Spence, 1973). This is because information plays a key role in an individual's decision-making process.

However, because some information is kept privately, this leads to information asymmetries between the holder and those who their decision-making may improve if they have access to such information (Connelly et al., 2011). Hence, the quality of information signaled by firms has significant implications for their success and competitive advantage (Spence, 2002).

Signaling theory has its origin from a seminal work by Veblen (1899) entitled *"The Theory of the Leisure Class,"* which proposes that the extravagant consumption and wasteful spending of the wealthy individuals serve as a signal of their elite status in the society (Connelly et al., 2011). In propounding the signaling theory, Spence (1973) used the labor market to describe the signaling attributes of education. According to Spence (1973), potential employers of labor at times do not have information depicting the quality of job candidates. As a result, the candidates acquire higher education to signal their quality as a perfect candidate and reduce the information asymmetry.

The acquisition of education is considered a reliable signal for employers because candidates with lower quality would not be able to endure the academic rigor of higher education (Connelly et al., 2011). Thus, education is seen as a mechanism to convey otherwise unobservable attributes of a quality job candidate (Weiss, 1995). As a result, employers perceived that the higher education level of a job candidate will translate to better performance at work and recruit employees with higher education degrees.

There are primarily three signals sent by the signaler: The first is signal of intent which has to do with future actions of firms such as organizational disclosures and may be conditional on the recipient's response (Connelly et al., 2011). The second is the signal of camouflage which is designed to hide or conceal a potential firm liability and redirect attention away from a possible vulnerability that could result from such firm actions (Connelly et al., 2011). The third type is signal of necessity which are intended or designed to communicate the requirements which the firm must comply with (Connelly et al., 2011).

Bhattacharya (1979) demonstrates a basic signaling effect by distinguishing between two firms: one with high-quality and the other with low-quality. The author asserts that dividend payment reflects signals of firm quality and ability to generate future cashflow. This implies that only high-quality firms have the capability of paying dividends over the long-term while the low-quality firms will not be able to sustain dividend payment and inability to do so signals a bad image. As a result, such signals influence the perceptions of external observers or stakeholders such as investors and lenders, regarding the quality of the firm.

In a commercial setting, where there is a seller and a buyer, sellers with high-quality possess an incentive to distinguish themselves from those of low-quality by sending certain signals (Connelly et al, 2011; Kirmani and Rao, 2000). Meanwhile, the sellers with low-quality try to replicate the signals used by the high-quality sellers. Therefore, in a commercial setting, signal is used to send some information about the sellers' attributes which the buyers receive and interpret for validating the seller's true characteristics (Connelly et al., 2011).

In broader management literature, signalers mainly represent a person (i.e., recruiters, managers, employees), firm (Zhang & Wiersema, 2009) or product (Goranova et al., 2007; Hochwater et al., 2007; Lampel & Shamsie, 2000; Ma & Allen, 2009). With a sense of understanding how individuals or job seekers evaluate the unobservable characteristics of the firm such as organizational practices or culture (Ryan et al., 2000). For example, Westphal and Zajac (2001) utilized signaling theory to explain how some firms show interest in future stocks repurchases fail to do so. The researchers term this incongruity between formal plans and actions taken as *decoupling*.

It is therefore argued that firms and executives who disconnect their plans form their actual actions may build a reputation for dishonesty (Connelly et al., 2011; Durcikova & Gray, 2009). Zhang and Wiersema (2009) contend that financial statements serve as a visible signal of unobservable high-firm qualities to receivers (i.e., investors). Also, Janney and Folta (2003) posits that signaling effectiveness can be improved by sending more visible signals or increasing the number of signals sent, which Connelly et al (2011) termed *signal frequency.* This is based on the notion that signals represent a snapshot that depicts the unobservable quality of the signaler at a specific period (Davila et al., 2003). Therefore, given the premise that firms operate in an evolving environment where the information accessible to both signalers and receivers is constantly changing. If signalers want to maintain their distinctiveness, they are required to be sending signals repeatedly in order to minimize the information asymmetry (Park & Mezias, 2005).

On the other hand, receivers have been generally viewed as individuals or groups of individuals, existing or potential investors (Jain et al., 2008; Michael, 2009), consumers, and employees (Carter, 2006). Management scholars have discovered that the effectiveness of signaling is partly influenced by the attributes of the receiver (Conelly et al., 2010). For instance, the signaling process will fail if the receiver is not actively seeking the signal (Conelly et al., 2010). Gulati and Higgins (2003) provide empirical support for the above argument by revealing that the success of salient or new firm's signaling efforts largely relied on whether the receivers attend the initial public offering market or not. If the receivers attend to the signals and utilized it to inform their decision, they are more likely to pay attention to subsequent similar signals in the future (Cohen & Dean, 2005).

2.6.2 Legitimacy Theory

The development and advancement of legitimacy theory can be traced back to 1995 after the publication of Scott (1995) book on "*Institutions and Organizations"* and Suchman (1995) paper on *"Managing legitimacy: Strategic and Institutional approaches"* in the Academy of Management Review. Legitimacy theory is inferred from the concept of organizational legitimacy, which is defined as:

"a condition or status which exists when an entity's value system is congruent with the value system of the larger social system of which the entity is a part. When disparity, actual or potential, exists between the two value systems, there is a threat to the entity's legitimacy (Dowling & Pfeffer, 1975, p. 122).

Following the above definition, Suchman (1995, p. 574), then described legitimacy as "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, believes and definitions". The assumption of the legitimacy theory is based on the notion that the higher the possibility of negative shifts in the social view of how a firm operates or acts, the higher the desirability on the part of the firm to control these shifts in social perceptions (O'Donovan, 2002).

The legitimacy theory suggests that firms constantly strive to operate within the dynamic norms of being responsible to the environment, society and boundaries set by the public (Dowling & Pfeffer, 1975; Suchman, 1995). Meaning that, the local community that hosts a firm permits them to operate and pursue their shareholders wealth maximization objective so far, they do that in a socially responsible manner (Birt, et al., 2014). In the circumstances when the firms' operations do not align with the societal moral values and norms, the firms are badly punished by the society, which may lead to failure of the firm (Şchiopoiu & Popa, 2013). In other words, legitimacy is achieved when a firm operational value system is in harmony with that of society expectations, which in turn affects their reputation (Lindblom, 1994). As a result, it can be argued that legitimacy is accorded to firms by outsiders or stakeholders and its magnitude can be influenced by the firm itself based on their actions.

It is commonly conceded that, if a firm alters its operations or decides to change other's perception of its operations, it must be guided by a disclosure (Cormier & Gordon, 2001). In absence of such, the supposed audience will be uninformed of what the firm is hoping to accomplish and thus, such firm's legitimacy will be problematic (O'Donovan, 2002). However, Suchman (1995) argued that the choice of legitimation approach used by a firm will differ based on what their objective is whether to obtain, maintain or restore legitimacy. Brown (1998, p. 35) further postulated that "legitimate status is a *sine qua non* for easy access to resources, unrestricted access to markets, and long-term survival." In support, Galaskiewicz (1985) demonstrated that firms usually try to increase their legitimacy by giving charities, building director interlocks, and pursuing activities that would enable them to gain stakeholders endorsement.

Moreover, empirical research has documented different antecedents of legitimacy. For instance, Deephouse (1996) concluded that conformity and efficiency influenced banks' legitimacy from the perspective of regulators while only conformity tends to serve as precursors of legitimacy in the views of the media. Other scholars (e.g., Glynn & Abzug, 2002; Westphal et al. 1997) also found support for conformity as an antecedent of achieving legitimacy. While Elsbach (1994) identified acceptance of failure as a precursor to legitimacy. The reported empirical findings further reinforce the assertion of Suchman (1995) that the most appropriate way of getting legitimized is to simply conform to societal norms and values.

In addition, there have been considerable efforts by researchers to document the consequences of legitimacy. Meyer and Rowan (1977) and Baum and Oliver (1991) asserted that achieving legitimacy improves firms' survival. Pfeffer and Salancik (1978) posited that legitimacy help firms gain access to competitive resources like attracting top talents. While Cohen and Dean (2005) concluded that legitimacy increases firms value of their initial public offerings. Other documented consequences of legitimacy are increasing stakeholder support (Choi & Shepherd, 2005), survival rates (Hannan & Carrol, 1992), and stock prices (Zuckerman, 2000).

2.7 Hypothesis development

Given the hospitality industry's high contribution to greenhouse gas emission (Su & Chen, 2020), there has been increasing pressure from the stakeholders for firms within this industry to take sustainability issues into their operation. This comes with the hope that consequently, markets will reward firms that are actively engaged in ESG practices (Hwang et al., 2024). Existing research has also shown that firms that are sensitive to sustainable practices are likely to incur higher costs when carrying out these practices, making it difficult for firms to get rewarded financially from such initiatives (Daszynska-Zygadlo et al., 2016).

While the majority of the extant literature has explored ESG practices from an aggregated perspective, this study tends to investigate individual dimensions of ESG for both theoretical and practical implications. From the theoretical lens, stakeholders may possess distinct preferences when assessing a firm's investment in ESG practices. For instance, Malshe et al. (2023) reported that consumers who are a key stakeholder favors the environmental factors for their selfless intentions while considered governance factors unfavorably based on perceived self-interests motives. However, from the practical lens, considering the limited resources of firms and especially those in the hospitality industry, it is important that firms prioritize those resources to the most significant ESG dimensions that contribute to or tend to drive favorably firm outcome (Franco et al., 2020).

Moreover, in light of the review of related studies on ESG-firm performance relationship, there remains an inconsistency in empirical results, mixed results and inconclusive findings. As earlier explained, one of the reasons for the inconsistency results is the use of aggregated ESG score which may be biased (Godfrey & Hatch, 2007; Thirumalesh Madanaguli et al., 2023). The utilization of aggregated ESG score obscures the identification of individual effects as specific dimensions of environmental, social and governance performance may have different impacts and pressure from different stakeholders, making the findings less generalizable (Thirumalesh Madanaguli et al., 2023; He et al., 2024). For these reasons it is important to disentangle the individualized impact of the ESG dimensions and their effects on corporate reputation. The following section discusses the logic and theoretical backing for each of the ESG dimensions and their respective potential impact on corporate reputation.

2.7.1 Environmental and corporate reputation

Environmental performance depicts firm’s actions that are geared towards resource use (conserved resources), carbon emissions (decreased emission), innovation (new and improved products) and other direct environmental costs (Dragomir, 2018). In accordance with the natural resource view, it is assumed that firms will experience an increased bottom line if they personally engage in reduction of environmental degradation initiatives or partners with external bodies (Alahdal et al., 2024). Signaling theory provides useful theoretical underpinning for explaining the relationship between ESG and corporate reputation.

Previous studies have adopted signaling theory to describe how firms strategically communicate their key attributes and qualities to their stakeholder (Connelly, 2011; Ul Abideen & Fuling, 2024). According to signaling theory, firms send signals to stakeholders (i.e., customers, employees, investors and local communities) through their actions, to influence the perceptions of the stakeholders about the firm's activities (Branco & Delgado, 2021; Spence, 1973). Consequently, the signals reduce asymmetrical information by showing stakeholders the values of the firms and their operational practices (Bhagwat et al., 2020).

Based on the signaling theory, hotels serve as "signalers" and the customers, employees, investors and the local community in which they operate are the "receivers" of their actions (Connelly et al., 2011). Thus, hotels ESG initiatives serve as credible "signals" of hotel's commitment to ethical and sustainable practices, influencing how the aforementioned stakeholders perceive their business operation, ultimately influencing their reputation (Ul Abideen & Fuling, 2024). For instance, the environmental initiative implies responsibility and concerns for environmental issues such as waste reduction, resources and emissions and innovations, which potentially generates a positive impression with stakeholders and creates a positive brand image (Khan et al., 2023).

Moreover, research has indicated that investors and customers favorably align with hotels that demonstrate environmental responsiveness, resulting in positive brand associations (Kim et al., 2023; Lau et al., 2021). In similar vein, other key market players like financial institutions are also incorporating environmental performance policies into their lending criteria, making firms with lower environmentally friendly practices at risk of higher debt costs (Shin, 2021). Moreover, Tan et al. (2017) explores how environmental performance affects firms' financial performance. The researchers found that having a good rating or score on the environmental dimension of ESG favorably impacts the hotel firm's market value. This is in line with the findings of Gerged et al. (2021), who also found supporting evidence for the positive impact of environmental performance on firm market value as measured by Tobin's Q.

In contrast to the above studies, Duque-Grisales and Aguiler-Caracuel (2021) in their study of multinationals in Latin America found that the relationship between environmental performance and market value of firms is negative. In relation to the latter study, Atan et al. (2018) in their own study reported no statistically signification relationship between environmental performance and firm value.

However, in line with the signaling theory and legitimacy theory, a significant relationship between environmental performance and corporate reputation is anticipated. The rationale for the anticipated result is that increasing environmental performance can be utilized by hotel firms to signal to the market and investors that they are proactive in handling issues concerning the environment they operate. When the hotel firms reduce their environmental effect and implement green practices, they gain legitimacy and approval from stakeholders, because they are perceived as conforming to societal norms of environmental sustainability. Such initiatives could be seen as a positive signal of long-term responsibility, thereby enhancing their reputation as a leader in environmental sustainability. In addition, firms which signal their devotion to the environment are able to distinguish themselves from competitors and enjoy improved public trust and credibility. Moreover, environmental responsibility has been established as a critical factor in shaping public perception about a firm (Rotondi et al., 2024; van Bussel et al. 2022).

It is therefore hypothesized that;

H1: The effect of the firm's environmental performance on corporate reputation is positive and statistically significant.

2.7.2. Social and corporate reputation

The social performance of firms encompasses firm's ability to fulfil social and ethical expectations of stakeholders which includes four distinct indicators: workforce, human rights, the community, and product responsibility (Alahdal et al., 2024; Refinitiv, 2025). Consistent with the signaling theory, socially responsible actions describe a firm's engagement and commitment to stakeholders about their ethical practices (Connelly et al., 2011). Lindblom (1994) contends that a legitimacy gap may arise occasionally, and this gap fluctuates as expectations change. However, if a firm fails to align its activities with the societal expectations, it may no longer be seen as legitimate, which could reduce the support it receives from the society and affects its reputation (Deegan & Rankin, 1996). Hence, legitimacy theory could be relied upon to explain why firms are willing to take actions and engage in activities that are considered legitimate and align with the societal expectations under the social contract.

Legitimacy theory is deemed appropriate for this study, because ESG disclosure is view as a strategic tool for firms to demonstrate and communicate social responsibility, thereby legitimizing their actions and creating a favorable impression with stakeholders (Amarna et al., 2024; Krüger, 2015). The changing social issues reinforce the needs for firms to respect the values and norms of the society and disclose voluntarily their social practices in order to assess their compliance (Şchiopoiu & Popa, 2013). As a result, firm social practice is seen to play a key role in legitimizing the social contract between a firm and the societies in which they operate (Lyssimachou & Bilinski, 2023). It is suggested that a firm's survival will be affected if the public perceives that it has violated its social contract principles (Deegan, 2002). This might result to consumers boycotting the firms' products and lenders reducing borrowings to such firms (Deegan, 2002).

Extensive social performance help firms differentiate from their industry competitors, thereby reducing information asymmetry and improving their reputation among the investors and customers (Spence, 1973, Connelly et al., 2011). Workforce treatment as an element of social performance pillar is a key factor in labor-intensive industries such as hospitality. This is because fair wages, diversity and inclusion policies, as well as employee well-being programs have all been associated with increased employee morale and stronger reputational outcomes (Che Ahmat et al., 2019; Romero et al., 2025). In a similar vein, hotels that passionately invest in their local communities via social programs like charitable initiatives, disaster relief and education programs tend to build tighter relationships with stakeholders which further strengthen their social recognition (Patwary et al., 2024).

In this regard, hospitality industry firms prioritize social practices to keep positive relationships and good reputation with their stakeholders such as customers and communities (Haddock-Fraser & Tourelle, 2010). In this line of thought, Kang et al. (2010) contend that good social performance by hospitality firms positively influences their company value. According to Jones et al. (2017), when firms engage in their immediate community activities, it fosters goodwill and strengthens positive perceptions. Research conducted by Latif et al., (2020) demonstrated that hotels with proactive socially responsible practices gain more customer loyalty and satisfaction, which leads to enhancing their reputational stock.

Rodriguez-Fernandez (2016) in their study reported a linear relationship between firm's social investment and performance outcomes. The author further states that increased financial performance leads to greater social advantages. Similarly, Hassan et al. (2022) revealed that the contribution of firm's social investment on firm's outcome varies and depends on the level of its effectiveness. In contrast to the favorable social performance-firm outcomes, a study conducted by Al-Ahdal et al. (2023) among the India firms reported that social performance has a significant negative impact on firm value. In the same direction, Franco et al. (2020) found that the relationship between social performance and firm financial return is non-linear but rather a U-shape.

Moreover, Luo and Bhattacharya (2006) opined that firms that engage in carefully designed social initiatives enjoy a more competitive advantage than their peer competitors with low social performance, including high market positioning and brand recognition. Consistent with the above, Lins et al. (2017) as cited in Lyssimachou and Bilinski (2023, p. 857) highlights that “firms with high social capital, as measured by CSR intensity, had stock returns that were four to seven percentage points higher than firms with low social capital during the 2008-2009 financial crisis.” This further strengthens the economic benefit of social performance in contributing to firm reputation. Because firms with consistent stock return in times of economic crisis have potential of getting recognized by the stakeholders which then increase their reputational perception (Lins et al., 2017).

Based on the majority of the argument provided above, it is therefore hypothesized that;

H2: The effect of the firm’s social practices on corporate reputation is positive and statistically significant.

2.7.3 Governance and corporate reputation

The governance pillar of the ESG entails management, the shareholders and the CSR strategy (Refinitiv, 2025). Efficient board management safeguard solid corporate governance, lower information asymmetry and offer dependable information for investors (Moneva et al., 2020). Therefore, to ensure efficient management of firm practices, a good corporate governance system is important as it affects how the firm is organized (Ludwig & Sassen, 2022). The governance initiative such as shareholders rights and transparency, board diversity and independence and anti-corruption policies signals firm's emphasis on ethical and transparent governance practices, thereby attracting and boosting investors' confidence (Sanan et al., 2021; Ul Abideen and Fuling, 2024).

Miller and Triana (2009) utilized the signaling theory to explain how companies utilize board diversity to signal or communicate adherence to social values to different firm stakeholders. According to Coopers & Lybrand Consultants (1997) there a list of possible benefits from practicing excellent corporate governance. The benefits include but are not limited to: placing firms' actions in line with the best practices; averting activism from concerned pressure groups; strengthening firm reputation; seeking endorsement; investor confidence; showing strong management practices; and reflecting regulatory compliance (Coopers & Lybrand Consultants, 1997).

Empirical studies provide support for the above. For instance, Brown and Deegan (1999) asserted that firms use annual reports as a mechanism to defend public pressure, particularly in reaction to negative media news. Similarly, O'Donovan (1998) found that firms use the disclosure of certain information to right the wrong misconceptions the public may have developed about the firm and its environmental actions. Moreover, ethical business practices, risk management and sustainable value-generation can only be achieved when good corporate governance systems are in place (Alahdal et al., 2024). This is in tandem with the position of Quan et al. (2022), that firms must develop high social standards and sound corporate governance to achieve success. Because for instance, creditors may align with firms with good corporate governance structures that include ownership and board independence (Shin, 2021).

Klapper and Love (2004) demonstrate that good corporate governance strengthens the reputation of firms. This is because firms with strong corporate governance practice tend to accumulate more investor confidence (Kapper & Love, 2004). Information asymmetry between the management and the external stakeholders can be diminished as a result of good corporate governance. When such asymmetry exists, it can result in conflict and affect market confidence in the firm's management (Ul Abideen & Fuling, 2023). In line with the proposition of the signaling theory, firms enhance market confidence and reduce possible occurrences of such incidents by practicing good corporate governance, which serve as a favorable signal to the market (Firmansyah et al., 2021).

Clark and Hebb (2005) highlight that investors who are more sensitive to price volatility of stocks take a firm's corporate governance practices into account when choosing whether to invest in such firm or not. The study of Velte (2017) is one of the few studies that disaggregated ESG practices and tested its individual impact. In the study, it was found that governance pillar has a positive relationship with performance. Asbaugh-Skaife et al. (2006) in their study showed that firms with poor corporate governance encounter higher debt costs as it signals greater risks for investors.

Since it is argued that efficient board management signals good corporate governance (Moneva et al., 2020) and gives reliable information about a firm for investment (Giannarakis, 2014). Hence, hospitality firms with strong corporate governance are likely to be considered at lower risk for investors, leading to favorable perceptions and enhancing their reputation (He et al., 2024). Suretno et al (2022) empirically demonstrates that there is a positive impact of governance disclosure practices on firm reputation. In addition, Kamarudin et al (2022) study that focuses on Fortune 500 companies across different industries established that corporate governance has a positive and significant impact on corporate reputation.

Given the significance of corporate governance practice and the increasing demand for transparency and regulatory compliance from various stakeholders. The need for attaining legitimacy can explain why firms engage in practices that meet stakeholders' expectations.

Therefore, in line with the signaling theory and legitimacy theory, it is therefore hypothesized that;

H3: The effect of firm's governance performance on corporate reputation is positive and statistically significant.

2.7.4 Casino operation as an industry contextual moderator

Casino firms that also provide lodging operations in addition to gaming often face scrutiny from different stakeholders due to the perceived nature of the firm as a sin industry (Hing & Mackellar, 2004). Identifying the possible social and personal issues that may arise from gaming activities, major casino firms engage in some corporate and sustainability related activities (Lee & Park, 2009). For example, major casino firms like

MGM mirage develop different initiatives such as employee volunteer program, MGM resorts voice foundation which allow the firm's employees to donate to charitable organizations as well as corporate charitable programs tailored to community development to counter the social concerns and scrutiny (Lee & Park, 2009).

Similarly, Caesars Entertainment has an employee-based volunteering initiative that provides support to the community through sponsorships, and partnerships (Chen McCain et al., 2018). Caesars Entertainment has donated about $73 million USD in charity, $67.2 million USD for community engagement as well as about 260,000 employees volunteer hours since its inception (Caesars Entertainment, 2016). Casino hotels are different from other hotels because they are considered as businesses with over 50% of their total revenues generated from casino operations (Zhang et al., 2009). Thus, casino hotel is distinct from other hotel operations in terms of target market, firm strategies, service provision and revenue management (Jang & Yu, 2002; Yang et al., 2020).

Casino hotels that are part of gaming operations are unavoidably influenced, to some degree, by the negative fallout from their controversial operations (Yang et al., 2020). Casino hotels are termed "controversial industries" or "sin industries" due to the social taboos associated with their product and service offerings (Wilson & West, 1981). Firms that sell or deal with gambling, alcohol, weapons, tobacco, abortion and related operations are stigmatized due to society's perception of that product and services even though such offerings are not illegal in some countries (Liu et al., 2014). Controversial business operations like Casino are commonly stigmatized or considered as sinful due to the kind of products or services they provide such as gambling addiction which cause harm to the society or individuals (Lindgreen et al., 2012; Vong & Wong, 2013).

In addition to the above, casino firms are also associated with other society problems like prostitution, increased crime rate, gambling and family conflicts, amplifying the stigmatized public perception of casino hotels, therefore, damaging their reputation (Wan, 2012). Thus, the rationale why casino firms experience "organizational stigma," which undermines their efforts due to the inherent, deeply rooted flaw perceived by stakeholders (Grougiou et al., 2016). As a result of that, stakeholders often envisage from such businesses active commitment to environmentally and socially responsible activities (Choi et al., 2024). However, it can be difficult for casino firms to have their efforts positively received and perceived by stakeholders, most importantly those who are doubtful of the firm's business alignment with such initiatives.

Casino firms also seek to attract legitimacy—a general view that a firm's operations are desirable and appropriate within the expectation of social norms and values (Suchman, 1995), by implementing some acts of socially responsible actions. This is because such initiatives could help to avert the negative perception of the business and defend their presence, restore their image and signal healthy activities (Kim et al., 2019; Yang et al. 2020). Achieving legitimacy is important for firms, as it significantly influenced stakeholders' decision-making and helps form a positive corporate reputation (Yang et al., 2020). It is so an important means for controversial firms like Casino to gain access to critical resources, attract top talents, and social support, as well as an effective way to defend stakeholders' criticism of their growth (Lee et al., 2018; Leung & Snell, 2017).

It is contended that Casino firm's environmentally and socially responsible activities contradict their primary business objectives, leading to perceptions of whitewashing—an attempts to reduce their socially harmful behaviors which can result in a reputational damage (Kotchen & Moon, 2012). Stakeholders who initially hold negative perceptions of casino gambling tend to question the true intentions behind casino firm's ESG efforts, leading them to doubt the genuineness of the firm's actions and approach it with strong skepticism regarding such activities (Choi et al., 2024).

Alhouti et al (2016) contend that for a firm that offers harmful products or services or builds a brand that is not centered around societal norms and value, its ESG efforts are seen as hypocritical/insincere and superficial actions aimed at self-serving rather than demonstrating genuine concern for its stakeholders and society. As a result, individuals who associate high levels of controversy with casino firms view their operations as immoral, unethical and damaging to society. Consequently, they are likely to question the true rationale and motivation of casino's ESG effort and doubt its genuine motivation to contribute positively to society.

If a firm's ESG initiative deviates from its identity or misfit from the main business objective, it is seen as not aligning with social expectations (Aqueveque et al., 2018). This disconnect can lead to the formation of negative perceptions regarding the firm, resulting in loss of reputation or corporate image (Lindblom, 1994; Yang et al. 2020). This negative perception further triggers unfavorable reactions to persuasive effort, undermining the justification for legitimacy.

The unique characteristics of the casino hotel industry have the possibility to influence stakeholders' sensitivity to the ESG efforts of the hospitality industry, specifically those with the incorporation of casino or gaming activities. Thus, the misalignment of ESG efforts in the casino industry complicates the attribution process of building favorable reputation, as stakeholders become skeptical of the true motives behind such actions, ultimately undermining the effectiveness of the ESG efforts. Thus, reducing the potential favorable impact of such actions on corporate reputation (Fein et al., 1990).

It is therefore hypothesis that;

H4a: Casino operation misfit negatively moderates the relationship between environmental performance and corporate reputation.

H4b: Casino operation negatively moderates the relationship between social performance and corporate reputation.

H4c: Casino operation negatively moderates the relationship between governance performance and corporate reputation

2.7.5 Research Framework

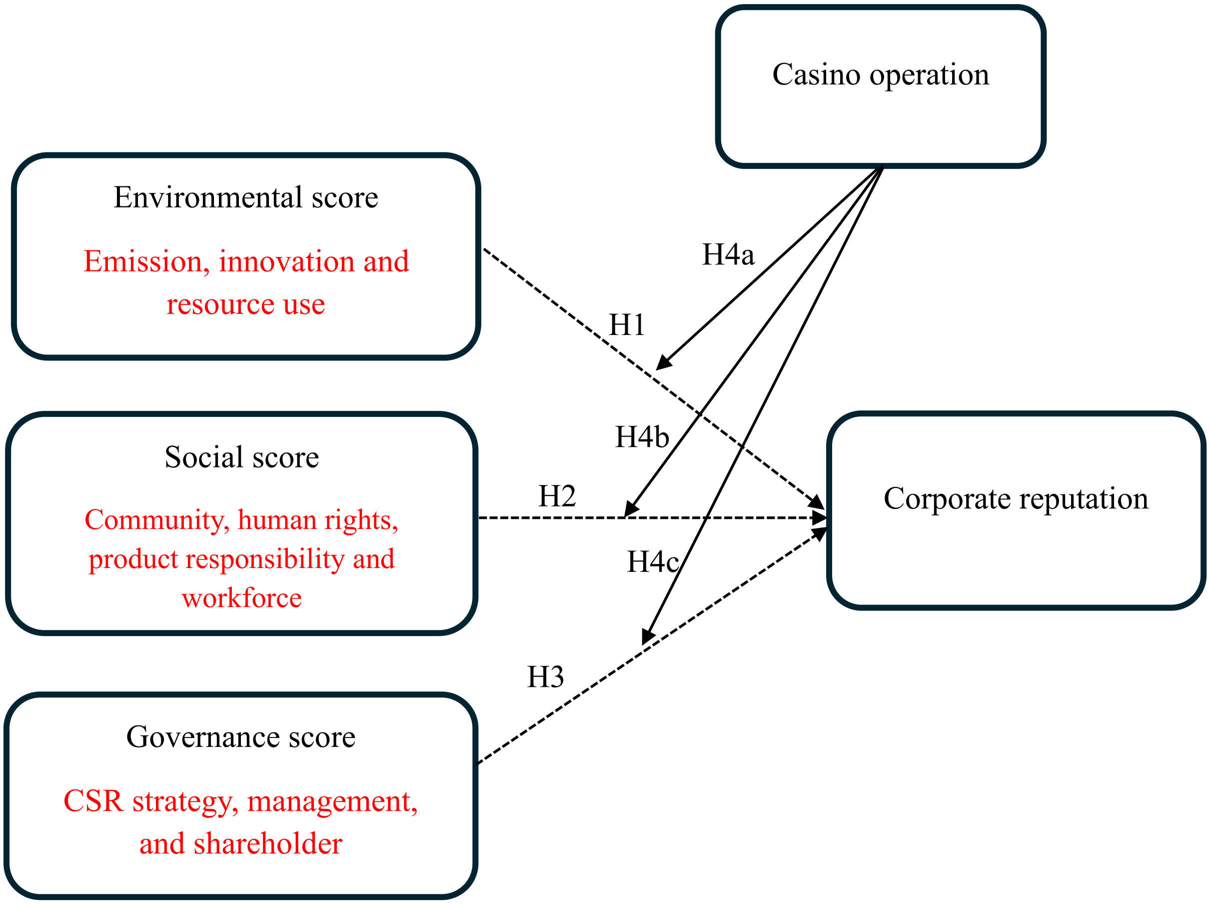

Figure 2.1 Model framework of the study

Chapter 3

METHODOLOGY

3.1 Overview of the chapter

This chapter presents the methodology utilized to answer the research questions and provide evidence of the hypotheses developed in the previous chapter. It further explains the sources of data employed and the rationale for the variables in the study model.

3.2 Data

This study employed annual data of publicly traded hotel firms in the United States that are listed under the North American Industry Classification System (NAICS) code of 7011 (Hotels & Motels) for the period of 2002 through 2023. There were two main sources for data collection for this study. First, is the Thomson Reuters Refinitiv Eikon database for the ESG scores. The justification for the use of Refinitiv Eikon is that it provides one of the most comprehensive ESG databases across different industries, (Refinitiv, 2025). It also encompasses a large collection of ESG related information for more than 12,500 global firms and widely used by previous literature (e.g., Garcia et al., 2017; Velte, 2017).

It also covers over 80% of the world market capitalization with more than 500 ESG related metrics and 11,000 global companies from the year 2002 In addition, the Refinitiv ESG scores are data-driven, and account for the most essential material industry metrics with reduced transparency biases (Refinitiv, 2025).

The second data source is the Compustat Annual Database for the financial performance related data which includes but not limited to market value, goodwill, stock price, total assets, dividend payment, capital expenditure, and total shares outstanding. After collecting the necessary data, both data were merged using company names and firm year. Upon the merging of the two datasets and removing duplication, the dataset comprises a total number of 24 unique firms with 213 observations. However, after accounting for missing values, both direct relationship models after controlling for different factors and the moderating effect model after controlling for omitted data were 140, respectively.

3.3 Variables

3.3.1 Dependent variable

For the purpose of restatement, this study proposes to investigate the effect of ESG on firm reputation. This study dependent variable is corporate reputation (REP). In the existing literature, corporate reputation is mostly measured with subjective proxies or perceptions of individuals such as the Fortune's Most Admired Companies rankings (Fombrun & Shanley, 1990; Kim et al., 2018; Robert & Dowling, 2002), RepTrak, and credit ratings (Ferguson et al., 2000). However, the aforementioned measured have been met with criticism and limitations. First, it is suggested that such measure suffers from subjectivity and selection bias (Bigus et al., 2024). Specifically, the Fortune ranking reputation measure fails to capture the perceptions or opinions of all relevant stakeholders by considering the perceptions of only the executive and analysts' responses to the surveys (Love & Kraatz, 2009). In addition, the ranking is also not comprehensive enough to capture every listed firm across the world as only the large well-established firms are being considered. This introduces the potential of losing out on smaller firms with ESG initiatives to be overlooked.

Moreover, Bigus et al (2024) suggested that future researchers should also utilize alternative measures of reputation with the objective of addressing the types or forms of reputation that fit their study objectives. Thus, based on the limitations of the subjective measures of reputation and the suggestion of Bigus et al (2024), this study employed a more robust, objective and market-based approach as the measure of corporate reputation. This approach follows the guidance of Ul Abideen and Fuling (2023) and Ruenrom and Pattaratanakun (2012). Moreover, noting that reputation is a dynamic concept, the measure used in this study fulfils the present study objective and focus.

The firm reputation measure is computed following a two-step process as also utilized by Zimon et al (2022) which is outlined below.

Enterprise value = market capitalization + total debts – cash

The above formula helps define a firm's total value which reflects the market's perception of the company's financial health and overall economic standing. The market capitalization reflects the firm's collective judgement in relation to its value. It is the result of the firm's stock price at the end of the fiscal year and the total common shares outstanding. Studies have established that market capitalization is closely related to perception of reputation (Fombrun, 1996). Incorporating both total debt and cash helps to estimate a more precise estimation of a firm's true worth by factoring in its liabilities and available financial resources.

It is established in literature that debt affects firm reputation because firms with high debt usually encounter higher risk and are seen as less stable (DeAngelo, 1984). While firms with significant cash reflect good liquidity and financial stability and perceived positively by investors and other stakeholders (Huang et al., 2013; Opler et al. ,1999; Quang Trinh et al., 2021).

However, since enterprise value encompasses both tangible and intangible aspects of firm valuation, the second step below was utilized to isolate the corporate intangible premium as distinct from its financial assets.

Corporate brand value = enterprise value – (book value of total assets – cash) + goodwill.

From the formula above, the book value of total assets was subtracted remove the physical base assets and cash was subtracted to avoid the issue of double counting since it has already been deducted from the estimation of the enterprise value. These further adjustments in the formula allow to better account the intangible value of the firms.

Some of the other justifications or rationale for the use of the above combined multi-dimensional approach is that it is less prone to managerial bias unlike the survey-based self-reported measures like Fortune rankings. Moreover, the approach offers a multi-dimensional perspective on firm reputation and accounts for both objective financial signals and intangible assets, which are overlooked in the traditional ranking systems and help to mitigate the issue of subjective biases. Furthermore, each firm level indicators in the measure reflect real-time reputation shifts unlike the lagging nature of the survey measures (Raithel & Schwaiger, 2015).

In addition, it is believed that this multi-dimensional approach captures reputation because the goodwill in the model captures brand equity, and stakeholders' perception which are key to corporate reputation (Rindova et al., 2005). More so, by adjusting tangible book assets, this helps to capture the reputational premium the market assigns to a firm (Shapiro, 1983). Although, it is important to state that there is no best or generally acceptable measure or proxy of reputation. However, the above measure was considered to be more appropriate and fit for achieving the objectives of this study. It is important to state that the outcome of the two-step approach was used as the measure of (*REP)* and it was log-transformed to account for severe skewness.

3.3.2 Independent variables

As the main focus of this study is to disentangle and analyze the individual effects of the ESG separately, the primary independent variables are ESG and the measure used is the respective hotel's annual Environmental (Env), Social (Soc), and Governance (Gov) scores. ESG metrics are quantitative and qualitative measures that capture a company's environmental, social, and governance performance and risks, which are framed on more than 500 ESG metrics and a wide range of 186 comparable indicators that encompass issues related to product responsibility, human rights, shareholders, resource use, innovation, CSR strategy, and management which were all obtained from the Thomson Reuters Refinitiv Eikon ESG database.

Environmental score: The environmental dimension encompasses a company's business initiatives in environmental responsibility. The categories under this pillar are emission, innovation and resource use. The themes under this category are policies in the use of renewable energy, biodiversity, eco-friendly products and services (green revenues), waste management, water conservation, sustainable packaging, energy, environmental supply chain, and reduction of carbon emissions (Refinitiv, 2025). These business standards show the degree to which a company utilizes best management practices to address environmental concerns (Duque-Grisales & Aguilera-Caracuel, 2021).

Social score: The social dimension delineates a company's investment and commitment to its host community and even beyond. The pillars categories are community, human rights, product responsibility and workforce with the following themes employee health and safety policies, responsible marketing, data privacy, labor standards, career development and training, human rights, diversity and inclusion, community engagement, and product responsibility (Refinitiv, 2025).

Governance score: The governance dimension measures the extent to which a company's internal processes and system of its board executives and members align with the best interests of its shareholders (Duque-Grisales & Aguilera-Caracuel, 2021). The three categories that fall under this pillar are CSR strategy, management, and shareholder. The themes under this dimension include board diversity and structure, shareholders' rights policy, CSR strategy, transparency and disclosure, and compensation.

3.3.2.1 ESG scoring methodology

Refinitiv Eikon calculates scores for both overall ESG score and individual pillar scores. The overall ESG score is aggregated on the 10 category weights and are calculated based on the Refinitiv magnitude matrix. On the other hand, the ESG pillar scores are the relative sum of the category weights. Refinitiv employs a relative scoring model in calculating the ESG scores. To begin with, data is normalized in order to be compared across firms irrespective of their size, industry or geographic location. In addition, the three dimensions or pillars (i.e., Environmental, Social and Governance) scores are weighted in accordance with their perceived important for the firm's industry or sector. For example, carbon emissions often have more weight for industry like hospitality and manufacturing than services related firms like banks. Each theme in the categories or pillars are assigned a score based on its performance relative to its industry peers. The score is often between 0 and 100, and values closer to 100 reflect better performance in such category or themes.

The ESG pillar score is a relative sum of the category weights, and this varies per industry specifically for the environmental and social pillars. For governance, the weights are the same across all industries. The pillar weights are then normalized to percentages ranging between 0 and 100. Subsequently, the themes/subcategory scores are aggregated to calculate a composite score for each dimension/pillar of ESG. The combined or overall

ESG score is calculated by aggregating all the 10 category weights per industry by utilizing data-driven and objective logic. Unlike some previous studies that employed a single dimension or aggregate ESG score, this study considers the disaggregated score of all the three dimensions, as this would help to identify which of the individual dimensions affects and contributes more to the corporate reputation.

3.3.3 Moderating variable

In addition to the direct effect of the ESG dimensions on firm reputation. Another objective of this study was to also examine the moderating effect of casino industry as a contextual variable on ESG-firm reputation relationship. It is well documented in the literature that casino firms that also provide lodging operations in addition to gaming often face scrutiny from different stakeholders due to the perceived nature of the firm as a sin industry (Hing & Mackellar, 2004). Casino hotels are termed “controversial industries” or “sin industries” due to the social taboos associated with their product and service offerings (Wilson & West, 1981). As a result, it is expected that the unique characteristics of the casino hotel have the possibility to influence stakeholders’ sensitivity to the ESG efforts of the hospitality industry in general, specifically those with the incorporation of casino or gaming activities. Thus, the misalignment of ESG efforts in the casino industry complicates the attribution process of building favorable reputation, as stakeholders become skeptical of the true motives behind such actions, ultimately undermining the effectiveness of the ESG efforts. In this regard, casino (*CASINO*) is measured as a binary variable: 1 if a firm is a casino; 0 otherwise.

3.3.4 Control variables

In with the previous literature and in order to control for the confounding effect, some variables were controlled for based on the extent to which they may possibly influence the impact of ESG practices on corporate reputation. The following are the control variables and the justification for their inclusion into the study model.

Firm size (*SIZE*) is employed in the model to control its effect on corporate reputation. It is widely understood that larger firms tend to enjoy greater recognition than smaller firms (Lee, 2009; Orlitzky, 2001). This is based on the notion that larger firms are more visible than small and/or medium-sized firms, thus possesses greater diverse stakeholder constituency (Brammer and Pavelin, 2004). That is, larger firms have a greater customer base (Cai et al, 2021; Ofek & Sarvary, 2001), therefore, they are more likely to encounter public, regulatory and media scrutiny which could impact their reputational status. Moreover, firm size has a significant influence on the ability to deploy resources efficiently and strategically (Ofek & Sarvary, 2001; Josefy et al., 2015).

In other words, larger firms often possess more resources both financially and non-financially: human resources, marketing capabilities, and robust R&D capabilities (Blesa & Ripollés, 2008; Klingebiel & Rammer, 2013). These resources are considered critical to maintaining and sustaining their competitive advantage and greater corporate reputation (Blesa & Ripollés, 2008; Chen & Hsu, 2010). Therefore, this study included *SIZE* in this study. *SIZE* was calculated as a natural logarithm of total assets (Turban and Greening; 1997; Fernández Sánchez et al.,2015).

A firm's financial structure is an important indicator that can influence a corporate reputation. Highly leveraged firms are prone to financial distress, which can have an adverse impact on stakeholder confidence and public perception (Franco et al., 2009; Lee et al., 2009). Increasing debt level of a firm may indicate financial instability, enhancing the possibility of reputation due to uncertainty about long-term sustainability (Gill et al., 2011; Kumar et al., 2021). On the other hand, firms with low leverage are considered as well-managed and financially stable, which may improve their perception by the investors (Cho et al., 2022; Ul Abideen, and Fuling, 2024). Firms with significant leverage often come under scrutiny from the public, resulting in risk-adverse decision-making (Cho et al., 2022). In addition, leverage can impact a firm strategic decision-making, which is important for achieving competitive advantage and shaping reputation (Kumar et al., 2021; Arhinful & Radmehr, 2023). Leverage is measured by the ratio of total debt to total assets (Cho et al. 2014).

Firm investment is employed in the model to control for its effect on corporate reputation. It is widely established that firms with higher investment are considered as financially stable and sustainable, highlighting commitment to expansion (Li & Singal, 2019; Moser et al., 2021; Lussi et al., 2023). This then influences key stakeholders' perceptions such as investors, customers and employees about the firm, thereby affecting the firm's reputation (McConnell & Muscarella, 1985; Lussi et al., 2023). In addition, it is asserted that firms with greater capital expenditure may foster operational efficiency and enhanced service quality, signaling favorable reputational outcome (Masulis, 1980; Kerstein & Kim, 1995). Firm investment can equally be seen as an indication for resource deployment — a pivotal factor in shaping organizational credibility (Jones, Danbolt & Hirrst, 2004; Akbar et al., 2008). Moreover, in industry like hospitality where investment in infrastructure, properties, service expansion and facilities are important (Low et al., 2015; Ng & Austin, 2016; Kim & Jang, 2018), the level of firm investment can determine how a firm is perceived (Akbar et al., 2008; Guilding, 2003). Therefore, this study employed firm investment into the estimation to control these effects on corporate reputation (*CAPEX*). *CAPEX* was measured as a ratio of capital expenditure to total assets (Gompers et al., 2003; Li & Singal, 2019; Chang, 2023). It should be noted that CAPEX was then log-transformed to account for severe skewness (Kim & Jang, 2018).

Dividend payout was included in the mode to control for its effect on corporate reputation. It is often recognized that a firm's dividends payout symbolizes its financial soundness which in turn may enhance firm's reliable and trustworthy (Smith & Watts, 1992; Fama & French, 2001). Firms with steady or regular dividend policy are seen as financially stable, resulting in positive investor perception and sustainable brand credibility (Eades, 1982; Healy & Palepu, 1990). According to O'Connor (2014), a constant dividend payment reflects a firm's allegiance to reward its investors, which can further entice other firm's investors and stakeholder groups. This suggests that payouts build up a positive image among external stakeholders (Reference). thereby improving their reputation. Therefore, this study also employed dividend payouts as a control variable (*D_PAYOUT*). *D_PAYOUT* was measured as a binary variable where 1 if a firm paid out dividends to their shareholders, 0, otherwise (Kim & Jang, 2018).

It is important to note that this study incorporated the year dummy variables into the model to control for time-specific effects. This was based on the notion that time is an important factor in determining how firms deal with sustainability issues (Slawinski & Bansal, 2015). Since external environment such as economic, inflation, recession and regulatory policies change overtime (Melissenetal., 2016) and thus may have impact on reputation of the firm. Including the year dummy will help to adjust for any year-to-year fluctuations, thereby reducing residual errors and enhancing the explanatory power of the model (Lee & Park (2009). The base year is 2002 while the end year is 2023. Therefore, 22-year dummy variables are included (Lee & Park, 2009; Inoue and Lee, 2011 & Franco et al., 2019). Table 3.1 below displays the description of the variables used in this study.

Table 3.1. Variable Description

Variable	Measurement
Dependent variable	
$ENTERPRISE\ VALUE_{it}$	$= \text{Marketcap}_{it} + \text{Total Debt}_{it} - \text{Cash}_{it}$
REP_{it}	$= \text{Enterprise Value}_{it} - (\text{Total Assets}_{it} - \text{Cash}_{it}) + Goodwill_{it}$
Independent variables	
ENV_{it}	$= \text{Environmental Pillar Score}_{it}$
SOC_{it}	$= \text{Social Pillar Score}_{it}$
GOV_{it}	$= \text{Governance Pillar Score}_{it}$
Moderating variable	
DUM_CASINO	$= 1\ if\ a\ firm\ is\ a\ casino, 0\ otherwise$
Control variables	
$SIZE_{it}$	$= ln\ (\text{Total Assets}_{it})$
LEV_{it}	$= (\text{Total Debts} \div \text{Total Assets}_{it})$
$CAPEX_{it}$	$= ln(\text{Capital Expenditure}_{it})$
D_PAYOUT_{it}	$= 1\ if\ a\ firm\ pays\ dividend, 0\ otherwise$
DUM_YEAR_t	$= \text{Year dummy}$

* Note: REP means corporate reputation, ENV means Environmental Pillar Score, SOC means Social Pillar Score, GOV means Governance Pillar Score, DUM_CASINO means Dummy Casino, SIZE means natural logarithm of total assets, LEV means Leverage, CAPEX means natural logarithm of Capital Expenditure, and D_PAYOUT means Dividend Payout.

3.4 Models and estimation method

3.4.1 Proposed models

As previously stated, the main purpose of this study was to investigate the disaggregated effect of ESG on hotel corporate reputation. As a result, model 1 is proposed for hypothesis 1 to hypothesis 3. Based on the notion that the firm's ESG signifies their sustainability practices, improve labor practices and ethical business practices, this study expected that individual ESG pillars performance significantly influences hotel corporate reputation. Therefore, to investigate the proposed nexus between ESG pillars performance and hotel corporate reputation, this study proposed the following model:

$REP_{it} = \beta_0 + \beta_1 ENV_{it} + \beta_2 SOC_{it} + \beta_3 GOV_{it} + \beta_4 LOG\_SIZE_{it} + \beta_5 LEV_{it} +$
$\beta_6 LOG\_CAPEX_{it} + \beta_6 D\_PAYOUT_{it} + \sum DUM\_YEAR_t + \varepsilon_i$ …..………..…equation (1)

Where REP_{it} denotes corporate reputation measured by subtracting total assets and cash in in year t from the enterprise value in year *t* and adding goodwill in year *t*; ENV_{it} represents the environmental pillar score from 0 to 100 in percentage of firm i in year *t*; SOC_{it} represents the social pillar score from 0 to 100 in percentage of firm i in year *t;* GOV_{it} represents the governance pillar score from 0 to 100 in percentage of firm i in year *t;* LOG_SIZE_{it} denotes the natural logarithm of total assets and it is measured as the natural logarithm of total assets of firm i in year *t;* LEV_{it} denotes the leverage and it is measured as the ratio of total debts to total assets of firm i in year *t;* LOG_CAPEX_{it} denotes the natural logarithm of capital expenditure measured by the natural logarithm of capital expenditure of firm i in year t; D_PAYOUT_{it} is a binary variable measured by the dividend payment of firm i in year t, where 1 indicates that the firm pays dividend,0 otherwise; and DUM_YEAR_t is the year dummy variable used to control for time effects in all models. Also, the robust error term ε is clustered at the firm level. The software utilized to perform the study analysis is STATA MP 18.

Furthermore, another objective of this study was to investigate the moderating effect of casino activities on the ESG and hotel corporate reputation relationship. Model 2 equation 2 below is proposed to examine hypothesis 4-6. Based on the notion that casino operation is considered a controversial activity and a sin stock due to negative societal perception, this study expected that casino activities will negatively moderate the ESG and hotel corporate reputation relationships. It should be noted that the main focus of the proposed model is the coefficient of the ESG-DUM_CASINO interaction.

$$REP_{it} = \beta_0 + \beta_1 ENV_{it} + \beta_2 SOC_{it} + \beta_3 GOV_{it} + \beta_4 DUM\_CASINO + LOG\_SIZE_{it} + \beta_9 LEV_{it} + \beta_{10} LOG\_CAPEX_{it} + \beta_{11} D\_PAYOUT_{it} + \sum DUM\_YEAR_t + \varepsilon_i \text{ …equation (2)}$$

$$REP_{it} = \beta_0 + \beta_1 ENV_{it} + \beta_2 SOC_{it} + \beta_3 GOV_{it} + \beta_4 DUM_{CASINO} + \beta_5 (ENV_{it} * DUM_{CASINO}) + \beta_6 (SOC_{it} * DUM_{CASINO}) + \beta_7 (GOV_{it} * DUM_{CASINO}) + \beta_8 LOG_{SIZE_{it}} + \beta_9 LEV_{it} + \beta_{10} LOG_{CAPEX_{it}} + \beta_{11} D_{PAYOUT_{it}} + \sum DUM_{YEAR_t} + \varepsilon_i \text{ ……..…. equation (3)}$$

Where, ENV_{it} x *DUM_CASINO represents* the interaction between the environmental pillar and dummy casino of the firm operation; SOC_{it} x *DUM_CASINO represent* the interaction between the social pillar and dummy casino of the firm operation;

and GOV_{it} x DUM_CASINO represent the interaction between the governance pillar and dummy casino of the firm operation

3.4.2 Estimation method

Following the general norm and practice of economics and strategic management literature, this study used an econometric technique. Specifically, as a result of the nature of this study data (i.e., panel data), this study utilized a firm-level panel regression analysis (Wooldridge, 2010). The most common utilized methods of panel regression analysis are pooled ordinary least squares, fixed-effects model and random-effects model (Wooldridge, 2013). The general assumption of panel data suggests that the fixed-effects and random-effects models are the most suitable and appropriate for exploring datasets that have each cross-sectional unit repeated over time and take care of the omitted variables problems (Wooldridge, 2013). The limitation ascribed to the pooled regression is that it incorporates all entity-specific information without considering individual differences (Wooldridge, 2013). That is, pooled OLS failed to account for possible firm individual differences due to the fact that it utilizes simple betas, meaning that the betas in the regression model are assumed to be constant across all times periods when this is not necessary the case (Brookes, 2008; Hill et al., 2011).

In order to determine the appropriate panel method to be used to capture firm-specific error terms between a fixed-effects model and a random-effects model and control for the unobserved heterogeneity of the data, the Hausman test was performed. The Hausman test compares the two model estimators—and checks whether there is a significant difference between the estimates obtained from the two models (Brooks, 2008). The null hypothesis of the Hausman test assumed that the random effects model is appropriate, that is, the individual-specific effects (e.g., unobserved heterogeneity) are uncorrelated with the regressors. While the alternative hypothesis of Hausman test assumed the random effects model is inconsistent. This occurs if the individual-specific effects are correlated with the regressors thereby, violating the assumption of the random effects model. In such case, the fixed-effects model will be considered appropriate and used instead of random effects model.

The result of the Hausman test supports the null hypothesis that the error terms are uncorrelated with the main regressors (chi2 = 33.45 Prob > chi2 = 0.2195), confirming the appropriate use of random-effects regression as the estimation approach. Therefore, following the results of Hausman test, a two-way random-effects model was used (Greene, 2008) to examine the main effect of the three disaggregated ESG pillars on hotel corporate reputation alongside the moderating effect of casino operation. A random-effects model assumes that the individual differences among the firms or entities in the dataset is captured by the intercept (Brooks, 2008).

Employing the two-way random-effects model allows the researcher to control for two unobserved confounders which are firm specific attributes and time-specific characteristics (Wooldridge, 2013). Prior literature in hospitality related studies have also employed similar estimation techniques (e.g., He et al., 2024; Youn et al., 2015) and have been found to be effective in addressing biases that could possibly occurred as a result of unmeasured firm and time effects (Paek et al., 2013). Further, the study also incorporated the robust standard errors measures in order to carefully handle potential firm and time heterogeneities, and also mitigate the issue of autocorrelation (Peterson, 2009).

3.4.2 Multicollinearity

Often times, a multiple regression model encounters multicollinearity problem when there is a high correlation between the explanatory variables (Brooks, 2008). The occurrence of multicollinearity among the explanatory variables can lead to result bias and inappropriate or imprecise estimates (Wooldridge, 2013). Furthermore, the presence of multicollinearity can also lead to having incorrectly high coefficient of determination (R-squared) in the process of adding or removing variables (Siegel, 2016). Therefore, before further analysis, a correlation analysis was performed to ascertain that multicollinearity did not affect the data. This study adopted a correlation coefficient of 0.70 as the threshold for identifying the harmful effect of collinearity following the recommendation of Mela and Kopalle (2002). The result of the Pearson correlation matrix was discussed in the result section.

Chapter 4

RESULT

4.1 Overview

4.2 Descriptive Statistics

Table 4.1 presents the descriptive statistics of the variables utilized in this study which is reported in the form of mean, standard deviation, minimum value and maximum value. As reported below, the mean REP score of 5,235.67 reflects that, on average, firms in this study sample are relatively highly reputable. The standard deviation of 9,505.55 indicates that there is a high variability in REP scores across the firms. More importantly, the -10,030.69 indicates that some firms might be struggling with a lower corporate reputation possible as a result of financial distress. The mean value of 0.468 for ENV indicates that firms, on average, score a little just under 0.50. The standard deviation of 0.337 shows that the ENV scores varies widely, with some firms having lower or higher scores. The maximum value of 0.971 shows that some firms in the sample have scores close to 100% in environmental performance. This is not surprising considering that the hotel firms' operations impact the environment and thus they engage in sustainable environmental practices to mitigate the adverse impacts.

The mean value of 0.497 for SOC indicates that firms, on average, score around 50% on social performance. The standard deviation of 0.196 shows that there is moderate variation in social performance among the sample firms. The moderate variation in social performance could be that while it is important not all the hotel firms give priority to it. The mean score of 0.5 for GOV indicates that, on average, the sampled firms score around 50% on governance practices. The standard deviation of 0.206 indicates that governance practices vary among the firms with some performing much better than others. In summary, it could be asserted that SOC and GOV are more consistent across firms, with lower standard deviations and based on the means values, firms perform relatively better in social and governance pillars than in environmental pillars.

For DUM_CASINO, the mean score of 0.235 shows that only about 23.5% of the firms in the study sample are involved in the casino industry and the standard deviation of 0.425 reflects a fairly even split between firms that are involved in casino industry and those that are not. Furthermore, the mean value of *SIZE* which is 9,756.333 (in million USD) and the standard deviation of 8,875.12 (in million USD) indicates that there is a large disparity in firm sizes as measured by total assets, with some firms being very small while others are extremely large. Such a result is expected as the study samples cut across both large and small hotel companies. The mean *LEV* (debt) level is approximately 51.6% of the total assets over the sample period. This suggests that the firms sampled in this study finance a little over half of their assets through debts. This level of debt is moderate, indicating that while the firms are not excessively leveraged, they still rely on debt financing and the moderate debt level can also signal financial discipline as they balance between using leveraging growth opportunities and maintaining solvency. This kind of result is also envisaged as capital-intensive industries like hospitality and real estate mostly require moderate to high leverage. Both SIZE and LEV show substantial variations, suggesting the needs to capture their impact in the main analysis adequately.

The result also showed that the industry's average capital expenditure (*CAPEX)* equates 3.3% of firms' total assets. This implies that the firms allocate a small proportion of total assets to capital investments like building new properties or performing renovations. The rationale for this could be that many hotels, specifically major ones like Marriot and Hilton, are becoming more asset-light than asset-heavy industry by engaging in more franchise business models where property ownership is basically managed and handled by third parties while the corporate firm focuses on management and marketing activities. In terms of dividend payout (*D_PAYOUT)*, 68.1% of the firms in this sample pay dividends to their shareholders, suggesting a strong financial position for most of the firms. However, the remaining firms that do not pay dividends may possibly engage in reinvestment strategies or face financial distress in some years. Though such firms might encounter shareholder dissatisfaction if dividend payments are a priority for them.

Table 4.1 Descriptive Statistics

Variable	Obs.	Mean	Std. Dev.	Min	Max
REP	196	5,235.673	9,505.546	-10,030.686	44,406.277
ENV	213	.468	.337	0.000	.971
SOC	213	.497	.196	.103	.963
GOV	213	.500	.206	.061	.922
DUM_CASINO	213	.235	.425	0.000	1.000
SIZE	213	9,756.333	8,875.12	173.485	45,692.21
LEV*	213	.516	.235	.016	1.675
CAPEX*	213	.033	.036	0.000	.287
D_PAYOUT	213	.681	.467	0.000	1.000

* Note: Variable with asterisk (*) indicates that the value for the respective variable has been normalized by the firm's total asset.

4.3 Correlation matrix

The result of the multicollinearity check performed was presented in Table 4.2 examining the relationship between the dependent. Independent, moderating and control variables. As expected, the Pearson correlation result showed that REP is positively correlated with all the independent variables except LEV and LOG_CAPEX. Furthermore, the correlation coefficients among the independent variables are relatively low except for ENV and SOC. In addition, LEV and CAPEX are negatively correlated with REP and ENV, respectively. DUM_CASINO and LOG_CAPEX are also negatively correlated with SOC. DUM_CASINO is also negatively correlated with D_PAYOUT while LOG_SIZE is also negatively correlated with LEV and LOG_CAPEX. The remaining variable correlations are positively correlated.

Overall, all the correlation results look good except for the correlation between ENV and SOC = 0.734, which was a bit higher than the adopted threshold of 0.70. The difference of 0.034 could be logically considered insignificant and thus may not necessarily affect the result. However, rather than following logic, the Variance Inflation Factor (VIF) was further conducted to double-check if the sample exhibits real multicollinearity problems. The VIF test was performed (see Table 4.3) below with the aid of Stata MP 18, and it was found that none of the explanatory variables had a VIF factor higher than 10 which is the acceptable threshold for multicollinearity (Tabachnick et al., 2001). The result of the VIF test allows for the assertion that the study sample is free from multicollinearity problems and is appropriate for further analysis.

Table 4.2 Correlation Matrix

Variables	REP	ENV	SOC	GOV	DUM_CASINO	SIZE	LEV	CAPEX	D_PAYOUT
REP	1.000								
ENV	0.436	1.000							
SOC	0.398	0.728	1.000						
GOV	0.341	0.327	0.446	1.000					
DUM_CASINO	0.039	0.174	-0.114	0.154	1.000				
SIZE	0.521	0.619	0.360	0.250	0.290	1.000			
LEV	-0.013	-0.069	0.082	0.182	0.169	-0.304	1.000		
CAPEX	-0.228	-0.287	-0.387	-0.042	0.326	-0.161	-0.084	1.000	
D_PAYOUT	0.337	0.070	0.094	0.086	-0.254	-0.035	-0.077	-0.008	1.000

* Note: ENV means Environmental Pillar Score, SOC means Social Pillar Score, GOV means Governance Pillar Score, DUM_CASINO means Dummy Casino, SIZE means natural logarithm of total assets, LEV means Leverage, CAPEX means natural logarithm of Capital Expenditure, and D_PAYOUT means Dividend Payout

Table 4.3 Variance inflation factor

VARIABLES	VIF	1/VIF
ENV	4.206	.238
SOC	3.667	.273
GOV	1.684	.594
DUM_CASINO	2.063	.485
SIZE	2.681	.373
LEV	1.703	.587
CAPEX	1.800	.555
D_PAYOUT	1.464	.683

*Note: ENV means Environmental Pillar Score, SOC means Social Pillar Score, GOV means Governance Pillar Score, DUM_CASINO means Dummy Casino, SIZE means natural logarithm of total assets, LEV means Leverage, CAPEX means Capital Expenditure, and D_PAYOUT means Dividend Payout.

4.4 Empirical results

Table 4.4 presents the findings of the panel analysis for testing the hypotheses 1-3 which examined the direct effect of environmental, social and governance pillars on corporate reputation. Contrary to the expectation, the findings showed that both environmental pillars (ENV) (β = -0.298; p-value>0.05), and social pillar (SOC) (β = 0.712; p-value>0.05) do not have a statistically significant impact on corporate reputation of hotel firms. Most importantly, the coefficient of the environmental pillar (ENV) showed a negative sign which implies that corporate reputation for hotel firms is less influenced by the level of their environmental initiatives.

As a result, an increase in environmental initiative may not necessarily translate to improved corporate reputation. The possible rationale for this negative result could be attributed to several things. First, it could be that the stakeholders do not value the firm's reallocation of firm resources to environmental practices, most importantly in case the firm does not engage in active promotion of such initiatives. In addition, while the environmental initiative may be of importance to some stakeholders, it could be that such initiative may not be preferred as practices like service quality, convenience, experience and price for firms like hotels and other related hospitality service providers. Moreover, hotel firms are expected to engage in environmental practices rather than utilizing them as a differentiator and thus such efforts may not be considered one of the drivers of corporate reputation. This finding is supported by the study of Duque-Grisales et al (2021) who found that environmental performance does not result in higher performance which will in turn increase the reputational status of the firms. Therefore, environmental performance may lean towards the agency problem rather than signaling or legitimate practices.

Although the coefficient of social pillar (SOC) is positive, suggesting potential strength in corporate reputation. However, there is no sufficient evidence to confidently conclude that the hotel's level of social activities has meaningful effects on their corporate reputation. This finding is also corroborated by Landi and Sciarelli (2018) who found that the socially responsible actions of the Italian firms is not considered a driver of increase in return. This finding could be partly due to the notion that investors pay better attention to major risk factors such as the earnings before interest tax and depreciation as well as the level of the firm's financial leverage. As a result, less importance may be attributed to the firm's level of social activities in the communities and as well as their relationships with the employees. This therefore established that our hypotheses 1 and 2 are not supported and thus not supporting the signaling theory.

As expected, this study found strong evidence for governance pillars and corporate reputation relationships. The findings showed that governance pillar (GOV) (β = 1.224; p-value<0.1) have a positive and statistically significant impact on hotel corporate reputation. Specifically, because we logarithmically transformed the REP variables, the result implies that a 1% increase in governance yields 1.224% increase in corporate reputation holding all other variables constant. The possible explanation for this finding is that firms with strong corporate governance practice characterized by effective leadership, accountability, transparency and fairness are considered reliable and credible, which then leads to building of trust from stakeholders and the public and subsequently enhances the firm's corporate reputation. As a result, making sure that a firm possesses excellent performance on the above qualities is essential for building a robust corporate reputation. This therefore leads to the support of our hypothesis 3 which proposed that the effect of the firm's governance performance on corporate reputation is positive and statistically significant.

This finding is consistent with signaling and legitimacy theory and supports the past literature findings that good corporate governance practice strengthens the reputation of firms (Klapper & Love, 2004). Moreover, Clark and Hebb (2005) highlighted that investors who are more sensitive to price volatility of stocks take a firm's corporate governance practices into account when choosing whether to invest in such firm or not.

This is consistent with the legitimacy theory in the sense that a firm effective governance system fosters cooperation with stakeholders, especially the investors which in turn identify with the firm and enhance their positive perception about the firm.

Contrary to expectation, two of the control variables (i.e. LEV and LOG_CAPEX) turned out to be statistically insignificant at all levels. The non-significant results for leverage (LEV_{it}) and capital expenditure (LOG_CAPEX_{it}) signify that the firm's level of influx of funds (i.e., debt) and capital investment is not directly related to the firm's corporate reputation. One possible explanation for this could be that the impact of the LEV and CAPEX on corporate reputation may not be evident in the short term (Katricioglu et al., 2018; ul Haq et al., 2024), such that it may likely take more years for the impact to materialize. Thus, immediate returns from business operations and debt profiles do not significantly affect the corporate reputation.

Table 4.4 Empirical results for testing the effect of ESG on hotel corporate reputation and the moderating effect of casino

	Model (1)	Model (2)	Model (3)
DV (Corporate reputation)	Coefficient (z-stat)	Coefficient (z-stat)	Coefficient (z-stat)
ENV	-0.298	-0.325	-0.965
	(-0.275)	(-0.304)	(-1.318)
SOC	0.712	0.780	3.194***
	(0.411)	(0.438)	(3.073)
GOV	1.224*	1.210*	1.416**
	(1.784)	(1.829)	(2.074)
DUM_CASINO		0.0681	2.286**
		(0.100)	(2.031)
ENV×DUM_CASINO			4.504***
			(2.854)
SOC×DUM_CASINO			- 6.486**
			(-2.261)
GOV×DUM_CASINO			-2.753
			(-1.286)
SIZE	0.713**	0.702**	0.439**
	(2.325)	(2.361)	(1.974)
LEV	0.662	0.628	0.492
	(1.012)	(0.949)	(0.897)
CAPEX	-0.232	-0.247	-0.277
	(-0.746)	(-0.937)	(-1.423)
D_PAYOUT	1.284***	1.295***	0.872**
	(3.571)	(3.743)	(2.474)
Firm fixed effect	Yes	Yes	Yes
Time fixed effect	Yes	Yes	Yes
Constant	-2.026	-1.998	-0.164
	(-0.847)	(-0.834)	(-0.0836)
R-squared	0.56	0.55	0.64
Observations	140	140	140

Note: ENV means Environmental Pillar Score, SOC means Social Pillar Score, GOV means Governance Pillar Score, DUM_CASINO means Dummy Casino, SIZE means total assets, LEV means Leverage, LOG_CAPEX means natural logarithm of Capital Expenditure, and D_PAYOUT means Dividend Payout; robust z-statistics in parentheses.
*** p<0.01 significance level, ** p<0.05 significance level, * p<0.1 significance level

Another objective of this study was to examine the moderating effect of Casino operation. Table 4.4 also presents empirical results for estimating the moderating effect of Casino operation on the ESG—corporate reputation relationship. Interestingly, the result revealed that casino operation positively moderates the environmental—corporate reputation relationship (ENV× DUM_CASINO) (β=4.504; p-value<0.01). Although, the positive moderating effect appeared to contradict the assumption of the legitimacy theory as earlier discussed in the previous section and the findings from the existing literature. This suggests that when hotels operate casinos, their environmental efforts are positively perceived by stakeholders, which may then strengthen their corporate reputation. Therefore, this finding does not support our hypothesis (H4a).

Consistent with hypothesis (H4b), the result of the interaction terms indicates that casino operation negatively moderates the social—corporate reputation relationship (SOC×DUM_CASINO) (β=-6.486; p-value<0.05). The result of the interaction term is significantly negative. This reinforces our argument that casino operation reduces the effect of the hotel firms' social activities on their corporate reputation. In other words, when hotel firms operate casinos as a side business, the negative impact of social performance on corporate reputation will be further adversely affected. This follows the assumption of the Legitimacy theory that the most appropriate way of getting legitimized is to simply conform to societal norms and values (Suchman, 1995). Considering that casino operation has longed been considered controversial and a threat to societal norms, it is not surprising that it does diminish the effect of social activities on corporate reputation. Therefore, this result supports our hypothesis 4b.

The finding is supported by the study of Muller and Kraussl (2011), who established that firm's social irresponsibility has an adverse impact on stakeholders' perception and psychology and reduces the favorable benefits of social initiatives. Moreover, it is contended that casinos firms socially responsible activities contradict their primary business objectives, leading to perceptions of whitewashing—an attempts to reduce their socially harmful behaviors which can result in a reputational damage (Kotchen & Moon, 2012).

The negative coefficient result of governance—corporate reputation relationship (GOV×DUM_CASINO) (β=-2.753; p-value>0.05) further suggests that when a hotel incorporates casino business, the positive impact of their good corporate governance practice will be adversely affected. As a result, even with the established importance of excellent corporate governance, the firms that engage in casino related operations (i.e., gambling) suffers loss of corporate reputation (Pan et al., 2025). This finding signifies important economic implications, highlighting the critical role of casino operation in damaging hotel corporate reputation. Although, the adverse impact was found to be insignificant, however, because the primary focus of this study moderation effect is on the change in coefficient sign and not on the significant level. Therefore, this finding of the moderation effect supports our hypothesis (H4c).

Chapter 5

CONCLUSION

Based on the theoretical premise of the significance of ESG in driving firm reputation and other related organizational outcomes, previous research has empirically explored the effect of ESG scores. However, to date, studies on the relationship between ESG initiatives and reputation of hotel firms remain fragmented and inconsistent with their findings (Godfrey & Hatch, 2007). There is still a lack of theoretical development on how different dimensions of ESG influence firm reputation. In addition, existing literature overlooked the importance and potential effect of industry-specific contexts. Moreover, methodologically, previous studies suffered from small sample issues, the use of aggregated ESG score (Berg et al., 2022; Godfrey & Hatch, 2007; Thirumalesh Madanaguli et al., 2023), which may give biased report and in return, questions the generalizability of the findings. This study was conducted to provide more insights into the mixed and contradictory findings already established in literature. Existing literature shows that a firm's CSR activity is closely tied to the quality of its associations with the stakeholders, which further contributes to the company's financial stability and vice versa. To test this theoretical assumption, a random-effects regression was conducted using ESG data of 24 publicly traded hotel firms between 2002 and 2023.

Therefore, to make up and bridge shortcomings in the previous literature, this was study intended to explore the relationship between individual ESG and corporate reputation in the hostel industry with the specific focus on: 1) providing a logical discussion of linking individual ESG with corporate reputation; 2) incorporate industry-specific contexts such as casino as a moderating factor into the ESG-corporate reputation relationship. To the best of our knowledge, the findings of this study contribute to a better understanding of the relationship between individual ESG and reputation in the hotel industry and the effect of industry-specific factors on ESG-reputation relationship. Table 5.1 displays the summary of the hypotheses testing.

5.1 Summary of findings

5.1.1 ESG and corporate reputation

Overall, the empirical result of this study revealed that the contribution or effect of the individual dimensions of ESG on corporate reputation is not uniform. Given that ESG pillars are formed by several factors, each of which may affect reputation differently, each of the ESG pillars' impact on corporate reputation was analyzed. Specifically, the empirical results show that the environmental dimensions reduce corporate reputation. This suggests that while the hotel firm's investment and engagement in environmentally friendly practices may sound interesting it does not improve the corporate reputation. The negative outcome of the environmental score established that high scores of environmental initiatives tend to be less important signals to influence the perceptions of the stakeholders about the firm’s reputation (Branco & Delgado, 2021). This finding could be that the stakeholders may not be fully aware of the firm’s environmental practices, most importantly in case the firm does not engage in actively the promotion of such initiatives.

In terms of the social dimension and corporate reputation, this study found that while there is a positive relationship, it tends to be less important to corporate reputation due to the insignificant outcome. Therefore, we cannot confidently conclude that a high level of social initiative contributes to building a robust corporate reputation. Hence, improving only on social performance is not adequate to influence corporate reputation. This study also examined the relationship between the governance dimension and corporate reputation. The study reveals that governance increases corporate reputation. The results imply that efficient governance system of firm practices is a good indicator to drive stakeholders’ perception, which in return enhances the corporate reputation (Ludwig & Sassen, 2022). This could be partly due to the notion that good governance systems guarantee that firms act in accordance with laws and regulations which then enable them to be better positioned and achieve a strong reputation with the public.

5.1.2 Moderating effect of casino operation

Another objective of this study was to examine the moderating effect of casino operation on the ESG—corporate reputation relationship. To our surprise, the result of this study indicates that casino operation positively moderates the negative relationship between environmental pillar and corporate reputation. This result suggests that the hotel firm’s environmental efforts become meaning to building positive reputation through casino operation. Moreover, the excitement that comes with casino experience may make customers overlook environmental shortcomings, thereby reducing any negative reputation impact. In addition, this result suggests that in circumstances of low environmental performance, casinos may compensate firms through strong branding and customer engagement.

In terms of the relationship between social pillar and corporate reputation, this study found that casino operations negatively moderate the social—corporate reputation relationship. Consistent with the legitimacy theory, this implies that casino operations undermine and adversely impact the reputational benefits that firms could accrued from their strong social performance or initiatives. Since casinos often encounter public criticism in relation to issues around gambling, financial exploitation of vulnerable populations and crime related offences (Lindgreen et al., 2012; Vong & Wong, 2013). Such social concerns have the potential to form a negative perception about the firm, thereby reversing any reputational benefits from socially responsible efforts. Therefore, even if hotel firms with casino operation are involved in social initiatives like employee welfare programs or community service, stakeholders may still attribute the social harm of casino operation to such firms, therefore reducing their organization identification and favorable perception by the stakeholders.

Consistently, this study found that casino operations negatively moderate the relationship between governance—corporate reputation relationship. This also confirms the assumption of legitimacy theory as casino operations are considered controversial and taboo in some context therefore, societal acceptance is not guaranteed. This result suggests that even if the firms follow good governance and best practices, public perception of casino operation may remain negative which will further reinforce the legitimacy concerns. Casino firms are usually linked to money laundry, regulatory violations and unethical business practices (Wan, 2012). As a result, irrespective of the firm's strong governance systems, stakeholders may still perceive it as high-risk or unethical, and further reduce the reputational benefits of good governance. Moreover, it can be difficult for casino firms to have their efforts positively received and perceived by stakeholders, most importantly those who are doubtful of the firm's business alignment with such initiatives.

Table 5.1 Summary of hypotheses

No.	Hypothesis	Result
H1	The effect of the firm's environmental performance on corporate reputation is positive and statistically significant.	Not supported
H2	The effect of the firm's social practices on corporate reputation is positive and statistically significant.	Not Supported
H3	The effect of the firm's governance performance on corporate reputation is positive and statistically significant.	Supported
H4a	Casino operation negatively moderates the relationship between environmental performance and corporate reputation.	Not Supported
H4b	Casino operation negatively moderates the relationship between social performance and corporate reputation.	Supported
H4c	Casino operating negatively moderates the relationship between governance performance and corporate reputation.	Supported

5.2 Contribution

This study provides important theoretical implications and adds to the existing literature in many ways. First, this study extends the ESG—corporate reputation studies by providing logical discussion about how each dimension of ESG pillars is related to building strong corporate reputation. Although the relationship between ESG and organizational outcomes like performance have been studied in the past (Ioannou & Serafeim, 2015; Chen, et al., 2022), however, a logical discussion connecting ESG to corporate reputation in prior literature is limited and largely neglected in the hospitality industry. In this respect, this study is unique and the first to the best of our knowledge to provide in-depth discussion of how each ESG dimension influences corporate reputation for the hotel firms.

Second, this study advances the ESG studies in the field of hospitality management by introducing casino operations as a moderator factor, highlighting how industry-specific characteristics shape the ESG-corporate reputation relationship. While prior studies mostly assume a positive relationship between ESG and firm outcomes (Kang et al., 2010; Lee & Park, 2009; Molina-Azorin et al., 2009), this study challenges such assumption by arguing that only the corporate governance efforts contribute positively to building strong corporate reputation and the presence of casino operations can adversely impact this relationship. This study demonstrates that engaging in controversial business practices such as casinos may make stakeholders interpret ESG initiatives as greenwashing, making the potential positive reputational attributes less visible. This advanced the existing ESG literature by demonstrating that stakeholder perceptions and industry norms can significantly shape how ESG initiatives translate into a strong corporate reputation.

Third, this study added to the literature on the adoption of Signaling Theory by highlighting that good and strong governance system, which often serves as a positive signal of credibility and ethical management, may not be equally effective across all industries. In industry with casino operations, where firms inherently encounter public skepticism and regulatory scrutiny, a good governance system may fail to enhance corporate reputation because stakeholders discount the signal as merely a compliance requirement rather than sincere commitment to ethical conduct (Alhouti et al, 2016). This aligns with the fundamentals of Signaling Theory, which suggests that for signals to be effective, it has to be both credible and valued by the receiver (Spence, 1973).

Furthermore, this study extends the importance and applicability of Legitimacy Theory by demonstrating how industry contextual factors moderate the effectiveness of legitimacy-seeking actions. While firms often strengthen their corporate reputation by being involved in ESG practices, those with controversial practices like casinos tend to encounter greater legitimate constraints in gaining social approval. This is in congruence with the notion that firms operating in controversial or ethically contested industry need to engage in more targeted legitimacy strategies to close the legitimacy gap (Suchman, 1995). This study therefore extends the existing literature by demonstrating that legitimacy is not only about compliance with institutional norms but also about how stakeholders interpret and respond to such initiatives. Consequently, the findings from this study suggest that firms with elements of high-industry scrutiny need to move beyond certain practices such as ESG and incorporate industry-specific legitimacy strategies to enhance their corporate reputation effectively.

5.3 Implications

This study offers insightful implications for industry professionals and managers. First, this study found that some proposed relationships turned out insignificant or negatively related. These results suggest that hotel firms should be aware that not all ESG efforts contribute equally to building a strong corporate reputation. Compared to previous studies that suggest a linear relationship between all ESG dimensions and firm outcome. This study found otherwise and established that such argument is not universal and could be industry or firm specific. For instance, while governance efforts seem critical, firms may need to rethink the role of environmental and social efforts and the degree of resources to be invested in such initiative to achieve reputational benefits. Therefore, it is suggested that the industry should focus more on the element of ESG that the stakeholders perceive to benefit the firm's corporate reputation, in this case a good governance system. Also, hotel firms with casino operations should concentrate on reinforcing their governance frameworks as a critical practice for reducing the legitimacy risks associated with such operations.

Second, from the managerial perspective, this study provides a guide to managers in addressing and dedicating major firm resources to only ESG factors that contribute to their firm success. Although this does not have to be done in isolation, other factors also need to be considered as demanded by the stakeholders. However, paying attention to that which brings in more reputational reward would benefit the firms more and fulfil the stakeholders' interests which would then increase their reputational image. As for the social initiative, it needs to be done with caution, ensuring they align with the interests and expectations of the stakeholders concerned. It is also important for the corporate managers to engage in social initiatives that enhance the stakeholder's welfare rather than their personal utility. This is because investing in activities that reflect stakeholder alignment can improve social approval and indirectly bring non-financial returns in the long-term (Jones et al, 2017; Latif, 2020).

Third, the result of the governance dimension further delineates how effective corporate governance can enhance investors' confidence, which will subsequently result in high reputational benefits. The empirical evidence that the governance dimension is pivotal to reputational building implies that this initiative must be prioritized as a strategic tool for improved corporate reputation. Furthermore, managers need to see ESG initiatives as something other than an immediate reward-given practice but rather as an investment whose benefits may take time to manifest. It is also essential for policymakers and regulatory institutions concerned to have some form of incentive for companies that engage in ESG practices to reduce the negative impact that some of these initiatives may have on their financial performance and shareholders return. This will serve as motivation for those that see ESG practices as initiatives that are worth pursuing for the betterment of their host communities.

Last, this study found that casino operation negatively moderates the positive effect of social and governance pillars on corporate reputation. Since casino misfit weakens the positive impacts, this implies that basic social and governance compliance is insufficient to build a strong corporate reputation in such business models. Therefore, hotel firms with casino operations should look further beyond these practices by enhancing their customer protection policies while also enhancing the transparency in operations by engaging in proactive stakeholder engagement, obtaining third-party certifications and collaborating with regulators to offset this adverse impact.

5.4 Limitations and Future Research

This study is not free from limitations that would guide future research directions. To begin with, the sample (i.e., the number of hotel firms) used for analysis is only limited to 24 public hotel firms even though it covers a long period of time between 2002-2023 (21 years). As a result, the findings from the study might not be generalized to the totality of the industry. Hence, the result of this study should be interpreted with caution. Therefore, future studies are encouraged to extend the sample size to capture a broader range of hotel firms in order to compare and contrast the generalizability of this study.

Second, this study encourages future studies to investigate other hospitality sub-sectors like nightlife and cannabis-friendly hospitality to further explore how ESG initiatives interact with industry-specific characteristics to influence firm outcomes. Incorporating industry-specific factors is important as it will allow the researchers to capture contextual nuances that amplify or undermine the relationship between the variables of interest. The impact of organizational practices like ESG on firm outcomes do not act in a vacuum; they are influenced by industry-specific norms, regulatory environment and legitimacy concerns. Hence, by incorporating industry-specific moderation variables, this will give more nuance to the study and move beyond the generalized assumptions by offering more robust and context-sensitive understanding of how specific factors shape firm outcomes.

Third, only four variables (i.e., leverage, capital expenditure, dividend and total assets) were controlled for in this study. However, there may be other uncontrolled variables or omitted variables that could potentially affect the ESG-corporate reputation relationship. So future research may consider other organizational factors like market capitalization, board diversity, firm age, advertising and R&D with potential impact on corporate reputation.

Furthermore, corporate reputation is a multifaceted construct that could be influenced by a wide range of factors beyond ESG and casino operations. As a result, the current study does not account for other reputational drivers such as service intensity, crisis management, corporate controversies and celebrity endorsements. Therefore, future studies are advised to look at some of these nuanced factors and empirically investigate their respective contribution to corporate reputation building.

REFERENCES

Abratt, R., & Kleyn, N. (2012). Corporate identity, corporate branding, and corporate reputations: Reconciliation and integration. *European Journal of Marketing, 46*(7/8), 1048–1063.

Akbar, S., Ali Shah, S. Z., & Saadi, I. (2008). Stock market reaction to capital expenditure announcements by UK firms. *Applied Financial Economics, 18*(8), 617–627.

Akey, P., Lewellen, S., Liskovich, I., & Schiller, C. M. (2024). Hacking corporate reputations. *ECGI Working Paper Series in Finance.*

Al-Ahdal, W. M., Farhan, N. H., Vishwakarma, R., & Hashim, H. A. (2023). The moderating role of CEO power on the relationship between environmental, social, and governance disclosure and financial performance in emerging markets. *Environmental Science and Pollution Research, 30*, 85803–85821.

Alahdal, W. M., Hashim, H. A., Almaqtari, F. A., Salleh, Z., & Pandey, D. K. (2024). The moderating role of board gender diversity in ESG and firm performance: Empirical evidence from Gulf countries. *Business Strategy Development*, 1–18.

Alareeni, B., & Hamdan, A. (2020). ESG impact on performance of US S&P 500 listed firms. *Corporate Governance, 20*(7), 1409–1428.

Alhouti, S., Johnson, C. M., & Holloway, B. B. (2016). Corporate social responsibility authenticity: Investigating its antecedents and outcomes. *Journal of Business Research, 69*(3), 1242–1249.

Ali, R., Lynch, R., Melewar, T. C., & Jin, Z. (2015). The moderating influences on the relationship of corporate reputation with its antecedents and consequences: A meta-analytic review. *Journal of Business Research, 68*(5), 1105–1117.

Alsayegh, M. F., Abdul Rahman, R., & Homayoun, S. (2020). Corporate economic, environmental, and social sustainability performance transformation through ESG disclosure. *Sustainability, 12*(9), 3910.

Amarna, K., Sánchez, R. G., López-Pérez, M. V., & Marzouk, M. (2024). The effect of environmental, social, and governance disclosure and real earnings management on the cost of financing. *Corporate Social Responsibility and Environmental Management, 31*(4), 3181–3193.

Amel-Zadeh, A., & Serafeim, G. (2018). Why and how investors use ESG information: Evidence from a global survey. *Financial Analysts Journal, 74*(3), 87–103.

Appiah, J. K. (2019). Community-based corporate social responsibility activities and employee job satisfaction in the U.S. hotel industry: An explanatory study. *Journal of Hospitality and Tourism Management, 38*, 140–148.

Aqueveque, C., Rodrigo, P., & Duran, I. J. (2018). Be bad but (still) look good: Can controversial industries enhance corporate reputation through CSR initiatives? *Business Ethics: A European Review, 27*(3), 222–237.

Arhinful, R., & Radmehr, M. (2023). The impact of financial leverage on the financial performance of the firms listed on the Tokyo Stock Exchange. *Sage Open, 13*(4).

Ashbaugh-Skaife, H., Collins, D. W., & LaFond, R. (2006). The effects of corporate governance on firms' credit ratings. *Journal of Accounting and Economics, 42*(1), 203–243.

Assaker, G., O'Connor, P., & El-Haddad, R. (2020). Examining an integrated model of green image, perceived quality, satisfaction, trust, and loyalty in upscale hotels. *Journal of Hospitality Marketing & Management, 29*(8), 934–955.

Assiouras, I., Skourtis, G., Giannopoulos, A., Buhalis, D., & Koniordos, M. (2019). Value co-creation and customer citizenship behavior. *Annals of Tourism Research, 78*, 102742.

Aydogmus, M., Gulay, G., & Ergun, K. (2022). Impact of ESG performance on firm value and profitability. *Borsa Istanbul Review, 22*-S2, S119–S127.

Ayuso, S., Rodríguez, M. A., García-Castro, R., & Ariño, M. A. (2014). Maximizing stakeholders' interests: An empirical analysis of the stakeholder approach to corporate governance. *Business & Society, 53*(3), 414–439.

Bae, J. H. (2022). Developing ESG evaluation guidelines for the tourism sector: With a focus on the hotel industry. *Sustainability, 14*(24), 16474.

Balaji, M., Jiang, Y., & Jha, S. (2019). Green hotel adoption: A personal choice or social pressure? *International Journal of Contemporary Hospitality Management.*

Baratta, A., Cimino, A., Longo, F., Solina, V., & Verteramo, S. (2023). The impact of ESG practices in industry with a focus on carbon emissions: Insights and future perspectives. *Sustainability, 15*(8), 6685.

Barnett, M., & Salomon, R. G. (2006). Beyond dichotomy: The curvilinear relationship between social responsibility and financial performance. *Strategic Management Journal, 27*(11), 1101–1122.

Bartikowski, B., & Walsh, G. (2011b). Investigating mediators between corporate reputation and customer citizenship behaviors. *Journal of Business Research, 64*(1), 39–44.

Bartikowski, B., Walsh, G., & Beatty, S. E. (2011a). Culture and age as moderators in the corporate reputation and loyalty relationship. *Journal of Business Research, 64*(9), 966–972.

Bartley, J., Chen, Y. S. A., Harvey, S. K., & Schowalter, D. S. (2017). Investors' guide to understanding corporate sustainability performance metrics: Beware of flawed metrics. *Journal of Environmental Investing, 8*(1), 1–12.

Baum, J. A. C., & Oliver, C. (1991). Institutional linkages and organizational mortality. *Administrative Science Quarterly, 36*, 187–218.

Becerra-Vicario, R., Ruiz-Palomo, D., Fernández-Miguélez, S. M., & Gutiérrez-Ruiz, A. M. (2022). Examining the effects of hotel reputation in the relationship between environmental performance and hotel financial performance. *Journal of Hospitality and Tourism Management, 53*, 10–20.

Behl, A., Kumari, P. R., Makhija, H., & Sharma, D. (2022). Exploring the relationship of ESG score and firm value using cross-lagged panel analyses: Case of the Indian energy sector. *Annals of Operations Research, 313*(1), 231–256.

Berezina, K., Bilgihan, A., Cobanoglu, C., & Okumus, G. (2016). Understanding satisfied and dissatisfied hotel customers: Text mining of online hotel reviews. *Journal of Hospitality Marketing & Management, 25*(1), 1–24.

Berg, F., Koelbel, J. F., & Rigobon, R. (2022). Aggregate confusion: The divergence of ESG ratings. *Forthcoming Review of Finance.*

Bhagwat, Y., Warren, N. L., Beck, J. T., & Watson, G. F., IV. (2020). Corporate sociopolitical activism and firm value. *Journal of Marketing, 84*(5), 1–21.

Bhattacharya, S. (1979). An exploration of nondissipative dividend-signaling structures. *Journal of Financial and Quantitative Analysis, 14*, 667–668.

Bianco, S., Bernard, S., & Singal, M. (2023). The impact of sustainability certifications on performance and competitive action in hotels. *International Journal of Hospitality Management, 108.*

Bigus, J., Phuong, K., Hua, M., & Raithel, S. (2024). Definitions and measures of corporate reputation in accounting and management: Commonalities, differences, and future research. *Accounting and Business Research, 54*(3), 304–336.

Birt, J., et al. (2014). *Accounting: Business reporting for decision making* (5th ed.). Milton: John Wiley & Sons Australia Ltd.

Bissoondoyal-Bheenick, E., Bennett, S., Lehnherr, R., & Zhong, A. (2024). ESG rating disagreement: Implications and aggregation approaches. *International Review of Economics & Finance, 96*, Part A, 103532.

Blesa, A., & Ripollés, M. (2008). The influence of marketing capabilities on economic international performance. *International Marketing Review, 25*(6), 651–673.

Board, S., & Meyer-ter-Vehn, M. (2013). Reputation for quality. *Econometrica, 81*, 2381–2462.

Bodhanwala, S., & Bodhanwala, R. (2022). Exploring the relationship between sustainability and firm performance in the travel and tourism industry: Global evidence. *Social Responsibility Journal, 18*(7), 1251–1269.

Booking.com. (2022). *Booking.com Sustainable Travel Report 2022.* https://globalnews.booking.com/download/1161485/booking.comsustainabletravelreport2022final.pdf.

Brammer, S. J., & Pavelin, S. (2006). Corporate reputation and social performance: The importance of fit. *Journal of Management Studies, 43*(3), 435–455.

Brammer, S., & Pavelin, S. (2004). Building a good reputation. *European Management Journal, 22*(6), 704–713.

Branco, M. C., & Delgado, C. (2021). The influence of sustainability disclosure on the perceived social responsibility and reputation of firms. *Business Strategy and the Environment, 30*(1), 584-597.

Brav, A., Graham, J. R., Harvey, C. R., & Michaely, R. (2005). Payout policy in the 21st century. *Journal of Financial Economics, 77*(3), 483–527.

Bromley, D. B. (2000). Psychological aspects of corporate identity, image, and reputation. *Corporate Reputation Review, 3*(3), 240-252.

Brooks, C. (2008). *Introductory econometrics for finance* (2nd ed.). Cambridge University Press.

Brown, A. D. (1998). Narrative, politics, and legitimacy in an IT implementation. *Journal of Management Studies, 35*, 35–58.

Caesars Entertainment. (2016). *Corporate citizenship report 2016*. Retrieved July 24, 2018, from http://caesarscorporate.com/wp-content/uploads/2014/10/CE_citizenship2016_080316_FINAL_FINAL.pdf

Cao, Y., Dong, Y., Ma, D., & Sun, L. (2021). Customer concentration and corporate risk-taking. *Journal of Financial Stability, 54*, 100890.

Carter, S. M. (2006). The interaction of top management group, stakeholder, and situational factors on certain corporate reputation management activities. *Journal of Management Studies, 43*, 1146–1176.

Chang, C.-C. (2023). The impact of quality of institutions on firm performance: A global analysis. *International Review of Economics and Finance, 83*, 694–716.

Che Ahmat, N. H., Arendt, S. W., & Russell, D. W. (2019). Effects of minimum wage policy implementation: Compensation, work behaviors, and quality of life. *International Journal of Hospitality Management, 81*, 229–238.

Chen McCain, S.-L., Lolli, J. C., Liu, E., & Jen, E. (2018). The relationship between casino corporate social responsibility and casino customer loyalty. *Tourism Economics*, 135481661880807.

Chen, C-D., Su, C-H., & Chen, M-H. (2022). Are ESG-committed hotels financially resilient to the COVID-19 pandemic? An autoregressive jump intensity trend model. *Tourism Management, 93*(1), 1–13.

Chen, H., & Hsu, C.-W. (2010). Internationalization, resource allocation and firm performance. *Industrial Marketing Management, 39*(7), 1103–1110.

Chen, J. J., & Dimou, R. (2005). Expansion strategy of international hotel firms. *Tourism Management, 58*(12), 0–1740.

Chen, W. J., & Chen, K. L. (2014). Factors affecting the hotel's service quality: Relationship marketing and corporate image. *Journal of Hospitality Marketing & Management, 65*(1), 77–96.

Cheng, B., Ioannou, I., & Serafeim, G. (2014). Corporate social responsibility and access to finance. *Strategic Management Journal, 35*(1), 1–23.

Cho, C. H., Fabrizi, M., Pilonato, S., & Ricceri, F. (2022). Not all bad news is harmful to a good reputation: Evidence from the most visible companies in the US. *Journal of Management and Governance*, 1–28.

Choi, J., & Wang, H. (2009). Stakeholder relations and the persistence of corporate financial performance. *Strategic Management Journal, 30*(8), 895–907.

Choi, S., Kim, I., Kim, J. J., & Hwang, J. (2024). How is CSR scepticism amplified? Effects of corporate social irresponsibility and perceived controversy in the casino industry. *Current Issues in Tourism, 27*(18), 2966–2983.

Choi, Y. R., & Shepherd, D. A. (2005). Stakeholder perceptions of age and other dimensions of newness. *Journal of Management, 31*, 573–596.

Clark, G., & Hebb, T. (2005). Why should they care? The role of institutional investors in the market for corporate global responsibility. *Environment and Planning A, 37*, 2015–2031.

Cohen, B. D., & Dean, T. J. (2005). Information asymmetry and investor valuation of IPOs: Top management team legitimacy as a capital market signal. *Strategic Management Journal, 26*, 683–690.

Cohen, B. D., & Dean, T. J. (2005). Information asymmetry and investor valuation of IPOs: Top management team legitimacy as a capital market signal. *Strategic Management Journal, 26*, 683–690.

Cohen, S., Higham, J., Peeters, P., et al. (2014). Understanding and governing sustainable tourism mobility: psychological and behavioural approaches. Abingdon: Routledge.

Collins, C. J., & Han, J. (2004). Exploring applicant pool quantity and quality: The effects of early recruitment practice strategies, corporate advertising, and firm reputation. *Personnel Psychology, 57*(3), 685–717.

Commission of European Communities. (2001). *Green paper: Promoting a European framework for corporate social responsibility*. Brussels: Commission of European Communities. https://ec.europa.eu/commission/presscorner/api/files/document/print/en/doc_01_9/DOC_01_9_EN.pdf

Connelly, B. L., Certo, S. T., Ireland, R. D., & Reutzel, C. R. (2011). Signaling theory: A review and assessment. *Journal of Management, 37*(1), 39-67.

Conway, J. M., & Lance, C. E. (2010). What reviewers should expect from authors regarding common method bias in organizational research. *Journal of Business Psychology, 25*, 325–334.

Coopers & Lybrand Consultants. (1997). Environmental reporting. *On Environmental Reporting, 2*(1), September.

Cordeiro, J. J., & Sarkis, J. (1997). Environmental proactivism and firm performance: Evidence from security analyst earnings forecasts. *Business Strategy and the Environment, 6*(2), 104–114.

Cormier, D., & Gordon, I. M. (2001). An examination of social and environmental reporting strategies. *Accounting, Auditing & Accountability Journal, 14*(5), 587–617.

Cornell, B., & Shapiro, A. (1987). Corporate stakeholders and corporate finance. *Financial Management, 16*(1), 5-14.

Cort, T., & Esty, D. (2020). ESG standards: Looming challenges and pathways forward. *Organization & Environment, 33*(4), 614–635.

Danziger, P. (2023, April 16). The reputations of leading luxury brands have fallen and why it matters. *Forbes*. https://www.forbes.com/sites/pamdanziger/2023/04/16/the-reputations-of-leading-luxury-brands-have-fallen-and-why-it-matters/?sh=3f6959ee4b20

Darvishmotevali, M., & Altinay, L. (2022). Toward pro-environmental performance in the hospitality industry: Empirical evidence on the mediating and interaction analysis. *Journal of Hospitality Marketing & Management, 31*(4), 431–457

Daszynska-Zygadło, K., Słonski, T., & Zawadzki, B. (2016). The market value of CSR performance across sectors. *Engineering Economics, 27*(2), 230–238.

Davila, A., Foster, G., & Gupta, M. (2003). Venture capital financing and the growth of startup firms. *Journal of Business Venturing, 18*, 689–708.

DeAngelo, H. (1984). Managerial competition, agency costs, and the privatization of breakups. *Journal of Financial Economics, 12*(1), 95–127.

DeAngelo, H., DeAngelo, L., & Skinner, D. J. (1996). Reversal of fortune: Dividend signaling and the disappearance of sustained earnings growth. *Journal of Financial Economics, 40*(3), 341–372.

Deegan, C. (2002). Introduction: The legitimising effect of social and environmental disclosures–a theoretical foundation. *Accounting, Auditing & Accountability Journal, 15*(3), 282–311.

Deegan, C. (2009). *Financial accounting theory*. McGraw Hill, North Ryde, NSW, Australia.

Deegan, C. M., & Rankin, M. (1996). Do Australian companies report environmental news objectively? An analysis of environmental disclosures by firms prosecuted successfully by the Environmental Protection Authority. *Accounting, Auditing and Accountability Journal, 9*(2), 52–69.

Deephouse, D. L. (1996). Does isomorphism legitimate? *Academy of Management Journal, 39*, 1024–1039.

Deephouse, D.L. (2000). Media reputation as a strategic resource: An integration of mass communication and resource-based theories. *Journal of Management, 26(6),* 1091–1112.

Dogru, T., Akyildirim, E., Cepni, O., Ozdemir, O., Sharma, A., & Yilmaz, M.H. (2022). The effect of environmental, social and governance risks. *Annals of Tourism Research, 95,* 10342.

Douglas, E., Van Holt, T., & Whalen, T. (2017). Responsible investing: Guide to ESG data providers and relevant trends. *Journal of Environmental Investing, 8*(1), 1–23.

Dowling, J., & Pfeffer, J. (1975). Organizational legitimacy: social values and organizational behavior. *Pacific Sociological Review, 18*, 122–136.

Driessen, M. (2021). Sustainable Finance: An Overview of ESG in the Financial Markets. In: Busch, D., Ferrarini, G., & Grünewald, S. (Eds.), *Sustainable Finance in Europe: Corporate Governance, Financial Stability and Financial Markets* (pp. 329–350). Springer International Publishing.

Duckler, M. (2023). *ESG: Brand strategy and positioning through greater societal purpose*. FullSurge. https://www.fullsurge.com/blog/why-esg-is-more-important-than-ever-for-brands

Duque-Grisales, E., & Aguilera-Caracuel, J. (2021). Environmental, social and governance (ESG) scores and financial performance of multinationals: Moderating effects of geographic international diversification and financial slack. *Journal of Business Ethics, 168*(2), 315–334.

Durcikova, A., & Gray, P. (2009). How knowledge validation processes affect knowledge contribution. *Journal of Management Information Systems, 25*(4), 81–107.

Eades, K. M. (1982). Empirical evidence on dividends as a signal of firm value. *Journal of Financial and Quantitative Analysis, 17*(4), 471–500.

Elsayed, K. M. F., & Paton, D. (2005). The impact of environmental performance on firm performance: Static and dynamic panel data evidence. *Structural Change and Economic Dynamics, 16*(3), 395–412.

Elsbach, K. D. (1994). Managing organizational legitimacy in the California cattle industry: The construction and effectiveness of verbal accounts. *Administrative Science Quarterly, 39*, 57–88.

Ertuna, B., Gu, H., & Yu, L. (2022). "A thread connects all beads": Aligning global CSR strategy by hotel MNCs. *Tourism Management, 91*, 104520.

Facts and Factors. (2022). Hospitality market size, growth, global trends, forecast to 2028. Retrieved from https://www.fnfresearch.com/hospitality-market.

Fama, E. F., & French, K. R. (2001). Disappearing dividends: Changing firm characteristics or lower propensity to pay? *Journal of Financial Economics, 60*(1), 3–43.

Fatemi, A., Glaum, M., & Kaiser, S. (2018). ESG performance and firm value: The moderating role of disclosure. *Global Finance Journal, 38*, 45–64.

Fein, S., Hilton, J. L., & Miller, D. T. (1990). Suspicion of ulterior motivation and the correspondence bias. *Journal of Personality and Social Psychology, 58*(5), 753–764.

Ferguson, T. D., Deephouse, D. L., & Ferguson, W. L. (2000). Do strategic groups differ in reputation? *Strategic Management Journal*, 1195–1214.

Fernández Sánchez, J. L., Luna Sotorrío, L., & Baraibar Diez, E. (2015). The relationship between corporate social responsibility and corporate reputation in a turbulent environment: Spanish evidence of the Ibex35 firms. *Corporate Governance: The International Journal of Business in Society, 15*(4), 563–575.

Firmansyah, A., Husna, M. C., & Putri, M. A. (2021). Corporate social responsibility disclosure, corporate governance disclosures, and firm value in Indonesia chemical, plastic, and packaging sub-sector companies. *Accounting Analysis Journal, 10*(1), 9–17.

Folger-Laronde, Z., Pashang, S., Feor, L., & ElAlfy, A. (2020). ESG ratings and financial performance of exchange-traded funds during the COVID-19 pandemic. *Journal of Sustainable Finance & Investment, 12,* 490–496.

Fombrun, C. (1996). *Reputation: Realizing value from the corporate image*. Harvard Business Press.

Fombrun, C., & Shanley, M. (1990). What's in a name? Reputation building and corporate strategy. *Academy of Management Journal, 33*(2), 233-258.

Fombrun, C.J. (1996). *Reputation: Realizing value from the corporate image.* Boston: Harvard Business School Press.

Franco, S., Caroli, M. G., Cappa, F., & Del Chiappa, G. (2019). Are you good enough? CSR, quality management and corporate financial performance in the hospitality industry. *International Journal of Hospitality Management*.

Friede, G., Busch, T., & Bassen, A. (2015, October). ESG and financial performance: Aggregated evidence from more than 2000 empirical studies. *Journal of Sustainable Finance & Investment, 5*(4), 210-3233.

Friedman, M. (1970, September 13). The social responsibility of business is to increase its profits. *The New York Times Magazine*, 32–33, 122–126.

Fryxell, G.E., & Wang, J. (1994). The Fortune corporate 'Reputation' index: Reputation for what? *Journal of Management, 20(1),* 1–14.

Galaskiewicz, J. (1985). Interorganizational relations. *Annual Review of Sociology, 11*, 281–304.

Garcia, A. S., Mendes-Da-Silva, W., & Orsato, R. J. (2017). Sensitive industries produce better ESG performance: Evidence from emerging markets. *Journal of Cleaner Production, 150*, 135–147.

García-Sánchez, I.-M., Hussain, N., Khan, S.-A., & Martínez-Ferrero, J. (2020). Do markets punish or reward corporate social responsibility decoupling? *Business & Society,* 1-37.

Gatzert, N. (2015). The impact of corporate reputation and reputation-damaging events on financial performance: Empirical evidence from the literature. *European Management Journal, 33(6),* 485–499.

Gerged, A. M., Beddewela, E., & Cowton, C. J. (2021). Is corporate environmental disclosure associated with firm value? A multicountry study of Gulf Cooperation Council firms. *Business Strategy and the Environment, 30*(1), 185–203.

Giannarakis, G. (2014). Corporate governance and financial characteristic effects on the extent of corporate social responsibility disclosure. *Social Responsibility Journal, 10*, 569–590.

Giglio, S., Maggiori, M., Stroebel, J., Tan, Z., Utkus, S., & Xu, X. (2025). Four facts about ESG beliefs and investor portfolios. *Journal of Financial Economics, 164*, 103984.

Gill, A., Biger, N., & Mathur, N. (2011). The effect of capital structure on profitability: Evidence from the United States. *International Journal of Management, 28*(4), 3.

Gillan, S. L., Koch, A., & Starks, L. T. (2021). Firms and social responsibility: A review of ESG and CSR research in corporate finance. *Journal of Corporate Finance, 66*, 101889.

Glynn, M. A., & Abzug, R. (2002). Institutionalizing identity: Symbolic isomorphism and organizational names. *Academy of Management Journal, 45*(1), 267–280.

Godfrey, P.C., & Hatch, N.W. (2007). Researching corporate social responsibility: An agenda for the 21st century. *Journal of Business Ethics, 70,* 87–98.

Gómez-Bezares, F., & Martínez, J. (2016). Corporate sustainability and shareholder wealth: Evidence from British companies and lessons from the crisis. *Sustainability, 8*(3), 276.

Gompers, P., Ishii, J., & Metrick, A. (2003). Corporate governance and equity prices. *The Quarterly Journal of Economics, 118*, 107–155.

Goranova, M., Alessandri, T. M., Brandes, P., & Dharwadkar, R. (2007). Managerial ownership and corporate diversification: A longitudinal view. *Strategic Management Journal, 28*, 211–225.

Goss, A., & Roberts, G.S. (2011). The impact of corporate social responsibility on the cost of bank loans. *Journal of Banking & Finance, 35(7),* 1794–1810.

Gotsi, M., & Wilson, A. M. (2001). Corporate reputation: Seeking a definition. *Corporate Communications: An International Journal, 6*(1), 24-30.

Greene, W. H. (2008). *Econometric analysis* (6th ed.). Pearson Prentice Hall.

Greening, D. W., & Turban, D. B. (2000). Corporate social performance as a competitive advantage in attracting a quality workforce. *Business & Society, 39*(3), 254-280.

Grewal, J., Serafeim, G., & Yoon, A. (2017). Shareholder activism on sustainability issues. *Harvard Business School Working Paper.* Available at: SSRN 2805512.

Griffin, J., & Mahon, J. (1997). The corporate social performance and corporate financial performance debate: 25 years of incomparable research. *Business & Society, 36(1),* 5–31.

Grougiou, V., Dedoulis, E., & Leventis, S. (2016). Corporate social responsibility reporting and organizational stigma: The case of “sin” industries. *Journal of Business Research, 69*(2), 905–914.

Gulati, R., & Higgins, M. C. (2003). Which ties matter when? The contingent effects of interorganizational partnerships on IPO success. *Strategic Management Journal, 24*(2), 127–144.

Haddock-Fraser, J. E., & Tourelle, M. (2010). Corporate motivations for environmental sustainable development: Exploring the role of consumers in stakeholder engagement. *Business Strategy and the Environment, 19*(8), 527–542.

Hallgren, R. (2021). *CSR, ESG & SDGS: What do they mean? What's the difference?* BoardClic: Stockholm, Sweden.

Han, E. K. (2006). Standardize corporate reputation measurement. *The Monthly Technology & Standards, 55*, 9-13.

Hannan, M. T., & Carroll, G. R. (1992). *Dynamics of organizational populations: Density, legitimation, and competition*. Oxford University Press.

Hasan, I., Singh, S., & Kashiramka, S. (2022). Does corporate social responsibility disclosure impact firm performance? An industry-wise analysis of Indian firms. *Environment, Development and Sustainability, 24*, 10141–10181.

Hassan, A.S., & Meyer, D.F. (2022). Does countries' environmental, social and governance (ESG) risk rating influence international tourism demand? A case of the Visegrád Four. *Journal of Tourism Futures.* https://doi.org/10.1108/JTF-05-2021-0127

Hayek, F. A. (1948). The meaning of competition (chapter 5, pp. 92–106). *University of Chicago Press*.

He, Y., Qi, R., So, K.K.F., & Li, Y. (2024). Which ESG dimensions matter in the hotel industry? Evidence from the cost of debt. *International Journal of Hospitality Management, 122,* 103866.

Healy, P., & Palepu, K. (1990). Effectiveness of accounting-based dividend covenants. *Journal of Accounting and Economics, 12*(1–3), 97–124.

Helm, S. (2007). The role of corporate reputation in determining investor satisfaction and loyalty. *Corporate Reputation Review, 10,* 22–37.

Herbig, P. and Milewicz, J. (1995) The relationship of reputation and credibility to brand success. *Journal of Consumer Marketing*, *12*(4), 4–10

Higgins-Desbiolles, F. (2020). Socialising tourism for social and ecological justice after COVID-19. *Tourism Geographies, 22(3),* 610–623.

Hill, R. C., Griffiths, E., & Lim, G. C. (2011). *Principles of econometrics* (4th ed.). John Wiley & Sons, Inc.

Hilton. (2023). *Travel with Purpose 2023 Report.* Retrieved from https://esg.hilton.com/wp-content/uploads/sites/4/2024/07/2023-Travel-with-Purpose-Report-final.pdf.

Hing, N., & Mackellar, J. (2004). Challenges in responsible provision of gambling: Questions of efficacy, effectiveness and efficiency. *UNLV Gaming Research & Review Journal, 8*(1), 43–58.

Hochwater, W. A., Ferris, G. R., Zinko, R., Arnell, B., & James, M. (2007). Reputation as a moderator of political behavior–work outcomes relationships: A two-study investigation with convergent results. *Journal of Applied Psychology, 92*, 567–576.

Hou, T. C. T. (2019). The relationship between corporate social responsibility and sustainable financial performance: Firm-level evidence from Taiwan. *Corporate Social Responsibility and Environmental Management, 26*(1), 19–28.

Huang, Y., Elkinawy, S., & Jain, P. K. (2013). Investor protection and cash holdings: Evidence from US cross-listing. *Journal of Banking & Finance, 37*(3), 937–951.

Hwang, D. S., Song, H. J., Lee, S., & Kang, K. H. (2024). The moderating role of national economic development on the relationship between ESG and firm performance in the global hospitality industry. *International Journal of Hospitality Management, 120*, 103788.

Hwang, J., & Lyu, S. O. (2020). Relationships among green image, consumer attitudes, desire, and customer citizenship behavior in the airline industry. *International Journal of Sustainable Transportation, 14*(6), 437–447.

Idemudia, U. (2011). Corporate social responsibility and developing countries: Moving the critical CSR research agenda in Africa forward. *Progress in Development Studies, 11(1),* 1–18. https://doi.org/10.1177/146499341001100101

Inoue, Y., & Lee, S. (2011). Effects of different dimensions of corporate social responsibility on corporate financial performance in tourism-related industries. *Tourism Management, 32(4),* 790–804.

Ioannou, I., & Serafeim, G. (2015). The impact of corporate social responsibility on investment recommendations: Analysts' perceptions and shifting institutional logics. *Strategic Management Journal, 36(7),* 1053–1081.

Jang, S., & Yu, L. (2002). Analysis of return on hotel investment: A comparison of commercial hotel companies and casino hotel companies. *Journal of Hospitality & Tourism Research, 26*(1), 38–53.

Janney, J. J., & Folta, T. B. (2003). Signaling through private equity placements and its impact on the valuation of biotechnology firms. *Journal of Business Venturing, 18*, 361–380.

Jensen, M. C. (2002). Value maximization, stakeholder theory, and the corporate objective function. *Business Ethics Quarterly, 12*(2), 235–256.

Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs, and ownership structure. *Journal of Financial Economics, 3*(4), 305–360.

Jones, E. J., Danbolt, J., & Hirst, I. (2004). Company investment announcements and the market value of the firm. *European Journal of Finance, 10*(5), 437–452.

Jones, P., Hillier, D., & Comfort, D. (2017). Sustainability in the hospitality industry: Some personal reflections on corporate challenges and research agendas. *International Journal of Contemporary Hospitality Management, 29*(1), 36–47.

Josefy, M., Kuban, S., Ireland, R. D., & Hitt, M. A. (2015). All things great and small: Organizational size, boundaries of the firm, and a changing environment. *Academy of Management Annals, 9*(1), 715–802.

Kamarudin, F., Mohamad Anwar, N. A., Md. Nassir, A., Sufian, F., Tan, K. M., & Iqbal Hussain, H. (2022). Does country governance and bank productivity nexus matter? *Journal of Islamic Marketing, 13*(2), 329-380.

Kang, K., Lee, S., & Huh, C. (2010). Impacts of positive and negative corporate social responsibility activities on company performance in the hospitality industry. *International Journal of Hospitality Management, 29(1),* 72–82.

Kapferer, J. N. (2012). *The new strategic brand management: Advanced insights and strategic thinking*. Kogan Page Publishers.

Karpoff, J. M. (2012). Does reputation work to discipline corporate misconduct? In M. L. Barnett & T. G. Pollock (Eds.), *The Oxford Handbook of Corporate Reputation* (pp. 361–382). Oxford University Press.

Keller, K., & Lehmann, D. (2003). The brand value chain: Optimizing strategic and financial brand performance. *Marketing Management, 12*, 26–31.

Kerstein, J., & Kim, S. (1995). The incremental information content of capital expenditures. *The Accounting Review, 70*(3), 513–526.

Khan, I., Fujimoto, Y., Uddin, M. J., & Afridi, M. A. (2023). Evaluating sustainability reporting on GRI standards in developing countries: A case of Pakistan. *International Journal of Law and Management, 65*(3), 189-208.

Kılıç, M., Uyar, A., Kuzey, C., & Karaman, A.S. (2021). Drivers and consequences of sustainability committee existence? Evidence from the hospitality and tourism industry. *International Journal of Hospitality Management, 92,* 102753.

Kim, H. S., & Jang, S. (2020). CEO overconfidence and firm performance: The moderating effect of restaurant franchising. *Cornell Hospitality Quarterly*, 1–17.

Kim, H. S., & Jang, S. (Shawn). (2018). Does hotel ownership structure influence capital expenditures? *Cornell Hospitality Quarterly*.

Kim, J., Kim, J., & Wang, Y. (2021). Uncertainty risks and strategic reaction of restaurant firms amid COVID-19: Evidence from China. *International Journal of Hospitality Management, 92,* 102752.

Kim, J.-B., Song, B. Y., & Stratopoulos, T. C. (2018). Does information technology reputation affect bank loan terms? *The Accounting Review, 93*(3), 185–211.

Kim, S. H., & Hong, J. H. (2012). A study on the effect of corporate social contribution on corporate BSC performance. *Study on Accounting, Taxation & Auditing, 54*(1), 211-253.

Kim, S., & Rim, H. (2019). The role of public skepticism and distrust in the process of CSR communication. *International Journal of Business Communication*.

Kim, S.B., & Kim, D.Y. (2016). The influence of corporate social responsibility, ability, reputation, and transparency on hotel customer loyalty in the US: A gender-based approach. *SpringerPlus, 5(1),* 1–13.

Kim, Y., & Cho, W. (2024). The effect of airline's ESG management on corporate reputation, corporate image, and relationship continuance intention. *Global Business & Finance Review (GBFR), 29*(5), 146-159.

Kim, Y., Hur, W-M., & Lee, L. (2023). Understanding customer participation in CSR activities: The impact of perceptions of CSR, affective commitment, brand equity, and corporate reputation. *Journal of Retailing and Consumer Services, 75*, 103436.

Kim, Y.H., Barber, N., & Kim, D.K. (2019). Sustainability research in the hotel industry: Past, present, and future. *Journal of Hospitality Marketing & Management, 28(5),* 576–620.

Kimpel, S. H., Brown, S. L., Eames, F. R., & Harrilchak, M. (2021). A preview of ESG regulation under the Biden administration. *National Law Review, 61*, 47.

Kirmani, A., & Rao, A. R. (2000). No pain, no gain: A critical review of the literature on unobservable product quality. *Journal of Marketing, 64*(2), 66–79.

Klapper, L. F., & Love, I. (2004). Corporate governance, investor protection, and performance in emerging markets. *Journal of Corporate Finance, 10*(5), 703-728.

Klein, B., & Leffler, K. B. (1981). The role of market forces in assuring contractual performance. *Journal of Political Economy, 89*(4), 615-641.

Klingebiel, R., & Rammer, C. (2013). Resource allocation strategy for innovation portfolio management. *Strategic Management Journal, 35*(2), 246–268.

Koh, H.-K., Lee, C., & Kim, M. (2022). Perceived ESG (Environmental, Social, Governance) and consumers' responses: The mediating role of brand credibility, brand image, and perceived quality. *Sustainability, 14*, 4515.

Kotchen, M., & Moon, J. J. (2012). Corporate social responsibility for irresponsibility. *The B.E. Journal of Economic Analysis & Policy, 12*(1), 403–423.

Kruesi, M.A., & Remy, D. (2024). Green is the new black in the hotel industry: Optimizing revenue through promoting sustainability. *Journal of Hospitality & Tourism Cases,* 1–8.

Krüger, P. (2015). Corporate goodness and shareholder wealth. *Journal of Financial Economics, 115*(2), 304–329.

Kumar, D. (2023). Moderation impact of sustainability disclosures in linking external uncertainties and default risk of tourism businesses. *Current Issues in Tourism, 27(16),* 2649–2667.

Kumar, R., Sujit, K. S., Waheed, K. A., & Fernandez, M. (2021). Are brand value and firm value related? An empirical examination. *Global Business Review*.

Lai, I. K. W. (2019). Hotel image and reputation on building customer loyalty: An empirical study in Macau. *Journal of Hospitality and Tourism Management, 38*, 111-121.

Lampel, J., & Shamsie, J. (2000). Critical push: Strategies for creating momentum in the motion picture industry. *Journal of Management, 26*(2), 233–257.

Landi, G., & Sciarelli, M. (2018). Towards a more ethical market: the impact of ESG rating on corporate financial performance. *Social Responsibility Journal, 15*(1), 11-27.

Latif, K. F. (2021). Recipes for customer loyalty: A cross-country study of the hotel industry. *International Journal of Contemporary Hospitality Management, 33*(5), 1892–1916.

Latif, K. F., Pérez, A., & Sahibzada, U. F. (2020). Corporate social responsibility (CSR) and customer loyalty in the hotel industry: A cross-country study. *International Journal of Hospitality Management, 89*, 102565.

Lau, V. M., Ren, L., & Yang, F. X. (2021). CSR and casino hotel branding: The joint moderation of CSR misfit and corporate awareness. *Journal of Hospitality and Tourism Management, 49*, 375–384.

Lee, J. (2009). Does size matter in firm performance? Evidence from US public firms. *International Journal of the Economics of Business, 16*(2), 189–203.

Lee, R. P., & Zhou, K. Z. (2012). Is product imitation good for firm performance? An examination of product imitation types and contingency factors. *Journal of International Marketing, 20*(3), 1–16.

Lee, S., & Park, S.-Y. (2009). Do socially responsible activities help hotels and casinos achieve their financial goals? *International Journal of Hospitality Management, 28*(1), 105–112.

Lee, S., Koh, Y., & Kang, K. H. (2011). Moderating effect of capital intensity on the relationship between leverage and financial distress in the U.S. restaurant industry. *Journal of International Hospitality Management, 30*, 429–438.

Lee, Y.-J., Yoon, H. J., & O'Donnell, N. H. (2018b). The effects of information cues on perceived legitimacy of companies that promote corporate social responsibility initiatives on social networking sites. *Journal of Business Research, 83*, 202–214.

Legendre, T. S., Ding, A., & Back, K. J. (2024). A bibliometric analysis of the hospitality and tourism environmental, social, and governance (ESG) literature. *Journal of Hospitality and Tourism Management, 58*, 309–321.

Legrand, W., Sloan, P., & Chen, J. S. (2013). *Sustainability in the hospitality industry: Principles of sustainable operations*. Routledge.

Leung, T. C. H., & Snell, R. S. (2017). Attraction or distraction? Corporate social responsibility in Macao's gambling industry. *Journal of Business Ethics, 145*(3), 637–658.

Leyva-de la Hiz, D. I., Ferron-Vilchez, V., Aragon-Correa, J. A. (2019). Do firms' slack resources influence the relationship between focused environmental innovations and financial performance? More is not always better. *Journal of Business Ethics, 159*, 1215–1227.

Li, Y., & Singal, M. (2019). Capital structure in the hospitality industry: The role of the asset-light and fee-oriented strategy. *Tourism Management, 70*, 124–133.

Li, Z., Stamolampros, P., & Zhao, X. (2025). ESG practices through the lens of employees in hospitality: Insights from employee-generated data. *International Journal of Hospitality Management, 124*, 103992.

Lien, C.-H., Wen, M.-J., Huang, L.-C., & Wu, K.-L. (2015). Online hotel booking: The effects of brand image, price, trust, and value on purchase intentions. *Asia Pacific Management Review, 20*(4), 210–218.

Lim, W. M., Ciasullo, M. V., Douglas, A., & Kumar, S. (2022). Environmental social governance (ESG) and total quality management (TQM): A multi-study meta-systematic review. *Total Quality Management & Business Excellence, 33*(15–16), 1–25.

Lin, W.L. (2024). The role of corporate social responsibility and corporate social irresponsibility in shaping corporate reputation: An analysis of competitive action and innovation strategies. *Corporate Social Responsibility and Environmental Management, 31*, 1451–1468.

Lin, Y., Lu, Z., Fan, D., & Zheng, Z. (2023). The bright and dark sides of ESG during the COVID-19 pandemic: Evidence from the Chinese hospitality industry. *International Journal of Contemporary Hospitality Management, 36*(4), 1393–1417.

Lindblom, C. K. (1994). The implications of organisational legitimacy for corporate social performance and disclosure. *Critical Perspectives in Accounting Conference*, New York.

Lindell, M. K., & Whitney, D. J. (2001). Accounting for common method variance in cross-sectional research designs. *Journal of Applied Psychology, 86*, 114–121.

Lindgreen, A., Maon, F., Reast, J., & Yani-de-Soriano, M. (2012). Guest editorial: Corporate social responsibility in controversial industry sectors. *Journal of Business Ethics, 110*(4), 393–395.

Lins, K., Servaes, H., & Tamayo, A. (2017). Social capital, trust, and firm performance: the value of corporate social responsibility during the financial crisis. *The Journal of Finance, 72*(4), 1785–1824.

Liu, S. (2022). Chart: Do sustainable accommodations matter to travelers? *Statista.* https://www.statista.com/chart/28162/howmuch-do-sustainable-accommodations-matter-to-travelers/

Liu, T. M., Wong, I. A., Chu, R., & Tseng, T.-H. (2014). Do perceived CSR initiatives enhance customer preference and loyalty in casinos? *International Journal of Contemporary Hospitality Management, 26*(7), 1024–1045.

Loureiro, S. M. C., & Kastenholz, E. (2011). Corporate reputation, satisfaction, delight, and loyalty towards rural lodging units in Portugal. *International Journal of Hospitality Management, 30*(3), 575–583.

Love, E. G., & Kraatz, M. (2009). Character, conformity, or the bottom line? How and why downsizing affected corporate reputation. *Academy of Management Journal, 52*(2), 314–335.

Low, W., Das, P., & Piffaretti, C. (2015). The role of hotels in mixed asset portfolios: Revisiting the asset-heavy versus asset-light debate. *International Journal of the Built Environment and Asset Management, 1*(4), 273.

Lozano, M. B., & Martínez-Ferrero, J. (2022). Do emerging and developed countries differ in terms of sustainable performance? Analysis of board, ownership, and country-level factors. *Research in International Business and Finance, 62*(1), 1–13.

Ludwig, P., & Sassen, R. (2022). Which internal corporate governance mechanisms drive corporate sustainability? *Journal of Environmental Management, 301*, 113780.

Luo, X., & Bhattacharya, C. B. (2006). Corporate social responsibility, customer satisfaction, and market value. *Journal of Marketing, 70*(4), 1–18.

Lussi, S., Masset, P., Weisskopf, J.-P., & Blal, I. (2023). Cross-dimensional measures of asset lightness and fee orientation in lodging groups. *International Journal of Hospitality Management, 109*, 103391.

Lyssimachou, D., & Bilinski, P. (2023). Does corporate social responsibility affect the institutional ownership of firms in the hospitality and tourism industry? *Tourism Economics, 29*(4), 853–879.

Ma, R., & Allen, D. G. (2009). Recruiting across cultures: A value-based model of recruitment. *Human Resource Management Review, 19*, 334–346.

Malshe, A. V., Yin, Y., Colicev, A., & Bart, Y. (2023). How ESG reduces risk: The role of consumers and institutional investors. *Marketing Science Institute Working Paper Series*. SSRN 4410032.

Mariño-Romero, J. M., Hernández-Mogollón, J. M., Campón-Cerro, A. M., & Folgado-Fernández, J. A. (2020). Corporate social responsibility in hotels: A proposal for measuring its performance through marketing variables. *Sustainability, 12*(7), 2961.

Marriott. (2023). *Marriott 2023 SERVE 360 REPORT: Environmental, social, and governance progress*. http://serve360.marriott.com/wp-content/uploads/2023/06/Marriott-2023-Serve-360-ESG-Report-accessible.pdf

Marsat, S., & Williams, B. (2011). CSR and market valuation: International evidence. *International Conference of the French Finance Association (AFFI)*, May 11–13.

Masulis, R. W. (1980). The effects of capital structure change on security prices: A study of exchange offers. *Journal of Financial Economics, 8*(2), 139–178.

McConnell, J. J., & Muscarella, C. J. (1985). Corporate capital expenditure decisions and the market value of the firm. *Journal of Financial Economics, 14*, 399–422.

McGuire, J., Sundgren, A., & Schneeweis, T. (1988). Corporate social responsibility and firm financial performance. *Academy of Management Journal, 31*(4), 854–872.

McWilliams, A., & Siegel, D. (2000). Corporate social responsibility and financial performance: correlation or misspecifications? *Strategic Management Journal, 21*(5), 603–609.

Mela, C. F., & Kopalle, P. K. (2002). The impact of collinearity on regression analysis: The asymmetric effect of negative and positive correlations. *Applied Economics, 34*(6), 667–676.

Merli, R., Preziosi, M., Acampora, A., & Ali, F. (2019). Why should hotels go green? Insights from guests' experiences in green hotels. *International Journal of Hospitality Management, 81*, 169–179.

Meyer, J. W., & Rowan, B. (1977). Institutionalized organizations: Formal structure as myth and ceremony. *American Journal of Sociology, 83*, 340–363.

Miller, T., & Triana, M. D. C. (2009). Demographic diversity in the boardroom: Mediators of the board diversity-firm performance relationship. *Journal of Management Studies, 46*(5), 755–786.

Min, H., Park, J., & Kim, H. J. (2016). Common method bias in hospitality research: A critical review of literature and an empirical study. *International Journal of Hospitality Management, 56*, 126–135.

Molina-Azorin, J. F., Claver-Cortes, E., Pereira-Moliner, J., & Tari, J. J. (2009). Environmental practices and firm performance: An empirical analysis in the Spanish hotel industry. *Journal of Cleaner Production, 17*(5), 516–524.

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

Moon, J., Tang, R., & Lee, W. S. (2022). Antecedents and consequences of Starbucks' environmental, social, and governance (ESG) implementation. *Journal of Quality Assurance in Hospitality & Tourism, 23*(1), 1–23.

Morgenstern, C., Coqueret, G., & Kelly, J. (2022). International market exposure to sovereign ESG. *Journal of Sustainable Finance & Investment*, 1–20.

Moscardo, G. (2019). Encouraging hospitality guest engagement in responsible action: Building comprehensive theoretical models to support effective action. *International Journal of Hospitality Management, 76*, 61–69.

Moser, P., Isaksson, O., Okwir, S., & Seifert, R. W. (2021). Manufacturing management in process industries: The impact of market conditions and capital expenditure on firm performance. *IEEE Transactions on Engineering Management, 68*(3), 810–822.

Mount, D. J., & Frye, W. D. (2006). The impact of hotel size and service type on employee job satisfaction. *Hospitality Review, 24*(1), 60–68.

Muller, A., & Kraussl, R. (2011). The value of corporate philanthropy during times of crisis: The sense giving effect of employee involvement. *Journal of Business Ethics, 103*, 203–220.

Ng, D., & Austin, I. (2016). Integrated resorts and hotel (gambling) service enterprises in Singapore, Macau, and Australia: The changing policy landscape. *Asian Journal of Political Science, 24*(1), 42–62.

Nollet, J., Filis, G., & Mitrokostas, E. (2016). Corporate social responsibility and financial performance: A non-linear and disaggregated approach. *Economic Modelling, 52*(Part B), 400-407.

O'Connor, P., & Assaker, G. (2022). Examining the antecedents and effects of hotel corporate reputation on customers' loyalty and citizenship behavior: An integrated framework. *Journal of Hospitality Marketing & Management, 31*(5), 640–661.

O'Connor, T. (2013). The relationship between dividend payout and corporate governance along the corporate life-cycle. *International Journal of Corporate Governance, 4*(1), 20.

O'Donovan, G. (1998). Corporate strategy and environmental report: A multinational's perspective. In K. Hickey & D. Kantarelis (Eds.), *Our Natural Environment: Interdisciplinary Interactions* (pp. 89–104). Assumption College.

O'Donovan, G. (2002). Environmental disclosures in the annual report: Extending the applicability and predictive power of legitimacy theory. *Accounting, Auditing & Accountability Journal, 15*(3), 344–371.

Ofek, E., & Sarvary, M. (2001). Leveraging the customer base: Creating competitive advantage through knowledge management. *Management Science, 47*(11), 1441–1456.

Opler, T., Pinkowitz, L., Stulz, R., & Williamson, R. (1999). The determinants and implications of corporate cash holdings. *Journal of Financial Economics, 52*(1), 3–46.

Organization for Economic Cooperation and Development (OECD). (2021). *ESG investing and climate transition: Market practices, issues and policy considerations*. OECD. https://www.oecd.org/finance/ESG-investing-and-climate-transition-Market-practices-issues-and-policy-considerations.pdf

Orlitzky, M. (2001). Does firm size confound the relationship between corporate social performance and firm financial performance? *Journal of Business Ethics, 33*, 167–180.

Orlitzky, M., Schmidt, F., & Rynes, S. L. (2003). Corporate social and financial performance: A meta-analysis. *Organization Studies, 24*(3), 403–441.

Paek, S., Xiao, Q., Lee, S. & Song, H. (2013). Does managerial ownership affect different corporate social responsibility dimensions? An empirical examination of US publicly traded hospitality firms. *International Journal of Hospitality Management*, *34*(1), 423–433.

Page, G., & Fearn, H. (2005). Corporate reputation: What do consumers really care about? *Journal of Advertising Research, 45*(3), 305–313.

Pal, D. (2021). Socially responsible investment, ethical rating, and separating contracts: A theoretical exploration in the hospitality industry. *International Journal of Hospitality Management, 93*, 102771.

Pan, L., Zhuang, Z., Ge, C., & Cui, Q. (2025). Does gambling culture affect corporate internal control? Evidence from China. *Finance Research Letters, 76*, 106961.

Pan, S.-Y., Gao, M., Kim, H., Shah, K. J., Pei, S.-L., & Chiang, P.-C. (2018). Advances and challenges in sustainable tourism toward a green economy. *Science of the Total Environment, 635*, 452–469.

Park, K., & Lee, S. (2011). Does an optimal firm size exist for publicly traded US hotels? *Tourism Economics, 17*(2), 359–372.

Park, N. K., & Mezias, J. M. (2005). Before and after the technology sector crash: The effect of environmental munificence on stock market response to alliances of e-commerce firms. *Strategic Management Journal, 26*(11), 987–1007.

Patwary, A. K., Tosun, C., Sharif, A., Ismail, N. A., & Abuelhassan, A. E. (2024). Measuring sustainable business performance in Malaysian hotels: The roles of green information, green innovation strategic orientation, and digital technology implementation. *International Journal of Hospitality Management, 123*, 103935.

Peng, L. S., & Isa, M. (2020). Environmental, social, and governance (ESG) practices and performance in Shariah firms: Agency or stakeholder theory? *Asian Academy of Management Journal of Accounting and Finance, 16*(1).

Petersen, M. A. (2009). Estimating standard errors in finance panel data sets: Comparing approaches. *Review of Financial Studies, 22*(1), 435–480.

Pfeffer, J., & Salancik, G. R. (1978). *The external control of organizations: A resource dependence perspective*. Harper & Row.

Podsakoff, P. M., MacKenzie, S. B., & Podsakoff, N. P. (2012). Sources of method bias in social science research and recommendations on how to control it. *Annual Review of Psychology, 63*, 539–569.

Praporski, N. (2008). Customization vs. standardization in global hotel expansion. *UNLV Theses, Dissertations, Professional Papers, and Capstones, 630*.

Quan, L., Kim, J. J., & Han, H. (2022). Customer views on comprehensive green hotel selection attributes and analysis of importance-performance. *Journal of Travel & Tourism Marketing, 39*(6), 535–554.

Quang Trinh, V., Elnahass, M., & Duong Cao, N. (2021). The value relevance of bank cash holdings: The moderating effect of board busyness. *Journal of International Financial Markets, Institutions and Money, 73*, 101359.

Qureshi, M. A., Akbar, M., Akbar, A., & Poulova, P. (2021). Do ESG endeavors assist firms in achieving superior financial performance? A case of 100 best corporate citizens. *SAGE Open, 11*(2), 21582440211021598.

Raithel, S., & Schwaiger, M. (2015). The effects of corporate reputation perceptions of the general public on shareholder value. *Strategic Management Journal, 36*(6), 945–956.

Rani, R., Vasishta, P., Singla, A., & Tanwar, N. (2025). Mapping ESG and CSR literature: A bibliometric study of research trends and emerging themes. *International Journal of Law and Management, ahead-of-print*(ahead-of-print).

Refinitiv. (2025). *Environmental, social and governance (ESG) scores*. https://www.refinitiv.com/content/dam/marketing/en_us/documents/methodology/refinitiv-esg-scores-methodology.pdf.

Rehman, M. S., & Pal, S. (2020). Customers' perception of service quality and its impact on reputation in the hospitality industry. *International Journal of Management (IJM), 11*(12), 2954–2976.

RepTrak. (2023). *2023 Global 100 RepTrak Report*. Boston.

Rezaee, Z., Homayoun, S., Poursoleyman, E., & Rezaee, N.J. (2023). Comparative analysis of environmental, social, and governance disclosures. *Global Finance Journal*, 55, 100804.

Rhee, M., & Valdez, M. (2009). Contextual factors surrounding reputation damage with potential implications for reputation repair. *Academy of Management Review, 34*(1), 146–168.

Ricaurte, E., & Jagarajan, R. (2021). Hotel sustainability benchmarking index 2021: Carbon, energy, and water. *Cornell Hospitality Indices*. https://ecommons.cornell.edu/handle/1813/109990

Rindova, V. P., Williamson, I. O., Petkova, A. P., & Sever, J. M. (2005). Being good or being known: An empirical examination of the dimensions, antecedents, and consequences of organizational reputation. *Academy of Management Journal, 48*(6), 1033–1049.

Roberts, P. W., & Dowling, G. R. (2002). Corporate reputation and sustained superior financial performance. *Strategic Management Journal, 23*, 1077–1093.

Rodriguez-Fernandez, M. (2016). Social responsibility and financial performance: The role of good corporate governance. *BRQ Business Research Quarterly, 19*(2), 137–151.

Romero, L., Barroso, V. M., & Santero-Sánchez, R. (2025). Gender wage gap in hospitality management: The evidence in Europe. *Annals of Tourism Research Empirical Insights, 6*(1), 100169.

Rotondi, V., Noris, A., & Carpanzano, E. (2024). Understanding sustainability perceptions: Insights from textual analysis and a survey experiment. *World Development Sustainability, 5*, Article 100182.

Ruef, M., & Scott, W. R. (1998). A multidimensional model of organizational legitimacy: Hospital survival in changing institutional environments. *Administrative Quarterly, 43*(4), 877–904.

Ryan, A. M., Sacco, J. M., McFarland, L. A., & Kriska, S. D. (2000). Applicant self-election: Correlates of withdrawal from a multiple hurdle process. *Journal of Applied Psychology, 85*(2), 163–179.

Sanan, N. K., Jaisinghani, D., & Yadav, S. (2021). Corporate governance, firm performance, and business group affiliation: Evidence from India. *Management Decision, 59*(8), 1863-1876.

Şchiopoiu, B. A., & Popa, I. (2013). Legitimacy theory. In S. O. Idowu, N. Capaldi, L. Zu, & A. Das Gupta (Eds.), *Encyclopedia of Corporate Social Responsibility* (pp. 1579–1584). Springer-Verlag.

Scott, W. R. (1995). *Institutions and organizations.* Thousand Oaks, CA: Sage.

Semenova, N., & Hassel, L. G. (2015). On the validity of environmental performance metrics. *Journal of Business Ethics, 132*, 249–258.

Shapiro, C. (1983). Premiums for high-quality products as returns to reputation. *Quarterly Journal of Economics, 98*, 659–680.

Shen, H., Lin, H., Han, W., & Wu, H. (2023). ESG in China: A review of practice and research, and future research avenues. *China Journal of Accounting Research, 16*(4), 1-25.

Shi, W., & Veenstra, K. (2021). The moderating effect of cultural values on the relationship between corporate social performance and firm performance. *Journal of Business Ethics, 174*, 89–107.

Shin, D. (2021). Corporate ESG profiles, matching, and the cost of bank loans. *University of Washington.*

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

Singal, M. (2015). How is the hospitality and tourism industry different? An empirical test of some structural characteristics. *International Journal of Hospitality Management, 47*, 116–119.

Singh, A. J., & Schmidgall, R. S. (2013). Does financial performance depend on hotel size? Analysis of the financial profile of the U.S. lodging industry. *Hospitality Review, 30*(2), 109–126.

Singhania, M., & Saini, N. (2021). Institutional framework of ESG disclosures: Comparative analysis of developed and developing countries. *Journal of Sustainable Finance & Investment, 13*(1), 516–559.

Slawinski, N., & Bansal, P. (2015). Short on time: Intertemporal tensions in business sustainability. *Organization Science, 26*(2), 531–549.

Sloan, P., Legrand, W., Tooman, H., & Fendt, J. (2009). Best practices in sustainability: German and Estonian hotels. *Advances in Hospitality and Leisure, 5*, 89–107.

Smith, C., & Watts, R. (1992). The investment opportunity set and corporate financing, dividend, and compensation policies. *Journal of Financial Economics, 32*, 263–292.

Smith, R. (1993). Integrating information from advertising and trial: Processes and effects on consumer response to product information. *Journal of Marketing Research, 30*, 204–219.

Soni, T. K., Arora, A., & Le, T. (2023). Firm-specific determinants of firm performance in the hospitality sector in India. *Sustainability, 15*(1), 554.

Spence, M. (1973). Job market signaling. *Quarterly Journal of Economics, 87*(3), 355-374.

Spence, M. (1974). Market signaling: Informational transfer in hiring and related screening processes. *Harvard University Press*.

Spence, M. (2002). Signaling in retrospect and the informational structure of markets. *American Economic Review, 92*(3), 434–459.

Su, C. H., & Chen, C. D. (2020). Does sustainability index matter to the hospitality industry? *Tourism Management, 81*, 1-11.

Su, L., Pan, Y., & Chen, X. (2017). Corporate social responsibility: Findings from the Chinese hospitality industry. *Journal of Retailing and Consumer Services, 34*, 240–247.

Suchman, M. C. (1995). Managing legitimacy: Strategic and institutional approaches. *Academy of Management Review, 20*(2), 571–610.

Suretno, F., Adrianto, F., & Alfarisi, M. F. (2022). Effect of environment, social and governance disclosure on firm value. *JBTI: Jurnal Bisnis: Teori Dan Implementasi, 13*(2), 121–128.

Tabachnick, B. G., Fidell, L. S., & Osterlind, S. J. (2001). *Using multivariate statistics*. Boston, MA: Allyn and Bacon.

Tan, S. H., Habibullah, M. S., Tan, S. K., & Choon, S. W. (2017). The impact of the dimensions of environmental performance on firm performance in the travel and tourism industry. *Journal of Environmental Management, 203*(Part 1), 603–611.

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

Thirumalesh Madanaguli, A., Dhir, A., Kaur, P., Mishra, S., & Srivastava, S. (2023). A systematic literature review on corporate social responsibility (CSR) and hospitality: Past achievements and future promises in the hospitality sector. *Scandinavian Journal of Hospitality and Tourism, 23*(2–3), 141–175.

Turban, D. B., & Cable, D. M. (2003). Firm reputation and applicant pool characteristics. *Journal of Organizational Behavior, 24*, 733–751.

Turban, D. B., & Greening, D. W. (1997). Corporate social performance and organizational attractiveness to prospective employees. *Academy of Management Journal, 40*(3), 658–672.

Ul Abideen, Z., & Fuling, H. (2024). Non-financial sustainability reporting and firm reputation: Evidence from Chinese listed companies. *International Journal of Emerging Markets*. 1-22.

Ul Haq, I., Pardaev, J., Allayarov, P., & Munir, M. (2024). The impact of financial innovation and infrastructure on inbound tourism in Central Asia. *Journal of Open Innovation: Technology, Market, and Complexity, 10*(1), 100175.

Ullmann, A. (1985). Data in search of a theory: a critical examination of the relationships among social performance, social disclosure, and economic performance. *Academy of Management Review, 10*(3), 540–577.

United Nations. (1987). *Report of the World Commission on Environmental Development: Our common future*. Oxford: University of Oxford Press. https://sustainabledevelopment.un.org/content/documents/5987our-common-future.pdf

Valentine, S., & Fleischman, G. M. (2007). Ethics programs perceived corporate social responsibility, and job satisfaction. *Journal of Business Ethics, 77*(2), 159–172.

Van Bussel, L. M., Kuijsten, A., Mars, M., & Van 't Veer, P. (2022). Consumers' perceptions on food-related sustainability: A systematic review. *Journal of Cleaner Production, 341*, 130904.

Veblen, T. (1899). *The theory of the leisure class*. New York, NY: Macmillan.

Velte, P. (2017). Does ESG performance have an impact on financial performance? Evidence from Germany. *Journal of Global Responsibility, 8*(2), 169–178.

Verma, V. K., & Chandra, B. (2018). Sustainability and customers' hotel choice behavior: A choice-based conjoint analysis approach. *Environment, Development and Sustainability, 20*(3), 1347–1363.

Vig, S., Dumičić, K., & Klopotan, I. (2017). The impact of reputation on corporate financial performance: Median regression approach. *Business Systems Research Journal, 8*(2), 40–58.

Viglia, G., Minazzi, R., & Buhalis, D. (2016). The influence of e-word-of-mouth on hotel occupancy rate. *International Journal of Contemporary Hospitality Management, 28*(9), 2035–2051.

Vong, F., & Wong, I. A. (2013). Corporate and social performance links in the gaming industry. *Journal of Business Research, 66*(9), 1674–1681.

Waddock, S. (2004). Creating corporate accountability: Foundational principles to make corporate citizenship real. *Journal of Business Ethics, 50*(4), 313–327.

Waddock, S. A., & Graves, S. B. (1997). The corporate social performance–financial performance link. *Strategic Management Journal, 18*(4), 303–319.

Wan, G., Dawod, A. H., Chanaim, S., & Ramasamy, S. S. (2022). Hotspots and trends of environmental, social and governance (ESG) research: a bibliometric analysis. *Data Science and Management, 6*(2), 65–75.

Wan, Y. K. P. (2012). The social, economic and environmental impacts of casino gaming in Macao: The community leader perspective. *Journal of Sustainable Tourism, 20*(5), 737–755.

Wang, R.-T. (2013). Modeling corporate social performance and job pursuit intention: Mediating mechanisms of corporate reputation and job advancement prospects. *Journal of Business Ethics, 117*(3), 569–582.

Weber, O. (2014). The financial sector's impact on sustainable development. *Journal of Sustainable Finance and Investment, 4*(1), 1-8.

Weiss, A. (1995). Human capital vs. signaling explanations of wages. *Journal of Economic Perspectives, 9*(4), 133–154.

Wen, J., Lin, Z., Liu, X., Xiao, S. H., & Li, Y. (2021). The interaction effects of online reviews, brand, and price on consumer hotel booking decision making. *Journal of Travel Research, 60*(4), 846–859.

Westphal, J. D., & Zajac, E. J. (2001). Decoupling policy from practice: The case of stock repurchase programs. *Administrative Science Quarterly, 46*, 202–228.

Westphal, J. D., Gulati, R., & Shortell, S. M. (1997). Customization or conformity? An institutional and network perspective on the content and consequences of TQM adoption. *Administrative Science Quarterly, 42*(2), 366–394.

Wilson, A., & West, C. (1981). The marketing of unmentionables. *Harvard Business Review, 59*(1), 91–97.

Wirba, A. V. (2024). Corporate social responsibility (CSR): The role of government in promoting CSR. *Journal of the Knowledge Economy, 15*, 7428–7454.

Witold, H., Koller, T., & Nuttal, R. (2019). Five ways that ESG creates value: Getting your environmental, social, and governance (ESG) proposition right links to higher value creation. *McKinsey Quarterly*. https://www.mckinsey.com/~/media/McKinsey/Business%20Functions/Strategy%20and%20Corporate%20Finance/Our%20Insights/Five%20ways%20that%20ESG%20creates%20value/Five-ways-that-ESG-creates-value.ashx

Woo, L., Mun, S. G., & Seo, K. (2023). How do hotels expand into new markets? The relationship between hotel agglomeration and entry mode. *Tourism Economics, 29*(8), 2183–2199.

Wooldridge, J. M. (2010). *Econometric analysis of cross section and panel data*. MIT Press.

Wooldridge, J. M. (2013). *Introductory econometrics: A modern approach* (5th ed.). Cengage Learning.

Xiang, Z., Du, Q., Ma, Y., & Fan, W. (2017). A comparative analysis of major online review platforms: Implications for social media analytics in hospitality and tourism. *Tourism Management, 58*, 51–65.

Xu, W., Yu, C., Zhang, C., Liu, Y., Zhang, H., & Li, M. (2025). Recovery of hotels from crises: Evidence from tourists' emotional changes by deep learning sentiment analysis. *Asia Pacific Journal of Tourism Research, 1–16*.

Xu, X., & Gursoy, D. (2015). Influence of sustainable hospitality supply chain management on customers' attitudes and behaviors. *International Journal of Hospitality Management, 49*, 105–116.

Yang, F. X., Ren, L., & Lau, V. M.-C. (2020). An original sin of casino hotels? Consequences of CSR misfit and the remedies. *International Journal of Hospitality Management, 87*, 102500.

Yang, S. J., & Jang, S. (2020). How does corporate sustainability increase financial performance for small-and medium-sized fashion companies: Roles of organizational values and business model innovation. *Sustainability, 12*(24), 10322.

Youn, H., Hua, N., & Lee, S. (2015). Does size matter? Corporate social responsibility and firm performance in the restaurant industry. *International Journal of Hospitality Management*. *51*, 127–134.

Yu, J., Chirko, A. Y., Kim, S., Moon, H. G., Choi, H., & Han, H. (2025). ESG management of hotel brands: A management strategy for benefits and performance. *International Journal of Hospitality Management, 125*, 103998.

Zhang, J., Dewald, B., & Neirynck, B. C. (2009). Experiential values for casino hotels in Macao. *Journal of Quality Assurance in Hospitality & Tourism, 10*(2), 75–92.

Zhang, Y., & Wiersema, M. F. (2009). Stock market reaction to CEO certification: The signaling role of CEO background. *Strategic Management Journal, 30*(7), 693–710.

Zhao, Z., Cheng, M., Lv, K., & Huang, L. (2025). What matters most? A sustainable or a conventional hotel experience? The interaction effect on guest satisfaction: A mixed-methods approach. *International Journal of Hospitality Management, 124*, 103988.

Zimon, G., Arianpoor, A. & Salehi, M. (2022). Sustainability reporting and corporate reputation: the moderating effect of CEO opportunistic behavior. *Sustainability, 14*(3), 1-28.

Zuckerman, E. W. (2000). Focusing the corporate product: Securities analysts and de-diversification. *Administrative Quarterly, 45*(3), 591–619.