



Rosen Research Focus | Hyoungju Song

HARMONY IN DIVERSITY

Orchestrating a profitable future in hospitality through TMT diversity and CSR

A groundbreaking study from UCF Rosen College of Hospitality Management, led by Dr. Hyoungju Song, examines the intricate interplay between corporate social responsibility and financial performance in the hospitality sector. The study reveals how the composition of top management team diversity acts as the conductor in this complex symphony. Discover the strategic impact that top management team (TMT) diversity has on creating a profitable and sustainable future.

In the bustling realm of the hospitality industry, where guest experiences intersect with environmental stewardship and community engagement, there lies a delicate balance between ethical practice and financial success. At the heart of this balance are the decisions and directions set forth by the top management teams (TMTs) that drive the course of hospitality firms. It is within this context that UCF Rosen College of Hospitality Management introduces a compelling body of research. Led by Dr. Hyoungju Song, this work delves into the dynamics of TMT diversity and its

impact on the interplay between corporate social responsibility (CSR) and financial performance (FP).

The hospitality industry is uniquely positioned at the crossroads of service excellence and sustainable practice, where every strategic decision can have far-reaching implications for both reputation and revenue. This complex ecosystem of business operations demands an investigation into the leadership structures that drive it. Dr. Song's research provides a critical examination of how variations in TMT composition, in terms of gender, age,

industry experience, and tenure, contribute to, or detract from, the efficacy of CSR initiatives in driving financial goals.

As the industry navigates a landscape marked by increasing consumer consciousness and global challenges, the role of TMTs in aligning CSR with financial aspirations becomes ever more crucial. The insights gleaned from this study offer a roadmap for hospitality firms looking to optimize their strategic approach to CSR, ensuring that it contributes positively to their financial health. The study reveals how different dimensions of diversity within the leadership ranks affect the delicate dance between doing good and doing well financially, providing a nuanced understanding of the leadership qualities that are most conducive to achieving success in both arenas.

THE INTERPLAY BETWEEN CSR AND FP
Dr. Song embarks on a journey to dissect



What impact does top management team diversity have in creating a profitable and sustainable future?

and tenure—the research offers surprising revelations on their influence on financial performance. It emerges that diversity in age and industry experience serves as a positive moderator. In other words, a melange of generations and a tapestry of industry backgrounds can amplify the benefits of CSR initiatives on a firm’s bottom line. These forms of diversity bring a breadth of perspectives and a wealth of knowledge that enrich the strategic implementation of CSR activities.

However, the study’s findings add a layer of complexity by revealing that tenure diversity tends to have a negative moderating effect. This suggests that when team members have varying lengths of service within the organization, it may lead to a lack of cohesion in how CSR strategies are executed and perceived, ultimately affecting financial outcomes.

of decision-making styles, underpinned by a higher inclination towards ethics and community-oriented values. These qualities are essential in CSR, aiming to satisfy a broad range of stakeholder needs while maintaining a strong reputation. Female leaders, often attributed with greater ethical behavior, could potentially ensure that CSR practices are genuinely beneficial rather than superficial, thus theoretically enhancing firm performance.

However, the research team found that the presence of gender diversity in TMTs surprisingly did not show a significant impact on the CSR–FP nexus in the hospitality industry. This counterintuitive finding hints at underlying complexities in how gender roles influence corporate strategy and suggests that the actual impact of gender diversity may be nuanced, interwoven with industry-specific dynamics, or potentially overshadowed by other facets



the CSR–FP relationship, a crucial linkage in the hospitality sector that hinges upon the decisions of the TMT. This relationship is pivotal as it dictates how a firm’s socially responsible practices can translate into financial gains or losses. What the study unveils is a nuanced picture where different facets of TMT diversity play varying roles in either strengthening or weakening this link.

THE INFLUENCE OF TMT DIVERSITY

Delving into four specific types of demographic diversity—gender, age, industry experience,

THE UNANTICIPATED ROLE OF GENDER DIVERSITY

Gender diversity within TMT is traditionally expected to influence CSR and FP outcomes. It’s anticipated that the inclusion of female executives would introduce a spectrum

of TMT diversity. The unexpected outcome paves the way for further research into the subtle ways in which female leadership affects CSR effectiveness and how this translates into tangible financial results in a sector where the gender distribution in the workforce does not reflect that of its leadership.

IMPLICATIONS FOR INDUSTRY PRACTITIONERS AND STAKEHOLDERS

Dr. Song’s research underscores the critical importance of age and industry experience diversity within TMTs to amplify the impact of CSR initiatives on financial outcomes. The study elucidates that assembling a TMT with a rich tapestry of generational insights and sector-

DR. SONG EMBARKS ON A JOURNEY TO DISSECT THE CSR–FP RELATIONSHIP, A CRUCIAL LINKAGE IN THE HOSPITALITY SECTOR THAT HINGES UPON THE DECISIONS OF THE TMT.



This research offers a lens through which the hospitality sector can re-examine and potentially redefine its approach to corporate governance and social responsibility.

AS THE HOSPITALITY INDUSTRY FACES THE DUAL CHALLENGES OF EVOLVING CONSUMER EXPECTATIONS AND THE NEED FOR SUSTAINABLE GROWTH, THE STUDY OFFERS A BLUEPRINT FOR ALIGNING ETHICAL INITIATIVES WITH FINANCIAL OUTCOMES.

specific experiences is key to harnessing a broader spectrum of innovative CSR strategies that align with profitability goals.

This revelation is pivotal for those at the helm of hospitality enterprises. It underscores that strategic TMT composition, with a deliberate inclusion of diverse ages and industry backgrounds, offers a multifaceted approach to CSR that can propel financial performance. These findings are set to inform and refine the blueprint of decision-making processes, influencing strategies that industry leaders and stakeholders may employ to knit CSR more closely with financial success.

The insights from this study are poised to drive a strategic shift, where the emphasis on age and experience diversity becomes integral to forming TMTs. The notion that diversity transcends mere representation and is a cornerstone for strategic advancement is a powerful takeaway for the industry. This knowledge provides a lens for practitioners

to reassess and innovate their approach to leadership assembly, ultimately capitalizing on the variegated perspectives that such diversity brings to the table in fostering financially viable CSR practices.

CHARTING THE COURSE FOR FUTURE RESEARCH

Beyond its immediate findings, the study opens up a wealth of opportunities for further exploration. It beckons future researchers to delve into other forms of TMT diversity and their potential impacts on the CSR–FP relationship. The call to investigate the effects of short-term versus long-term tenure instability on financial outcomes is a particularly poignant one, inviting a more longitudinal approach to understanding these dynamics.

FUTURE RESEARCH DIRECTIONS

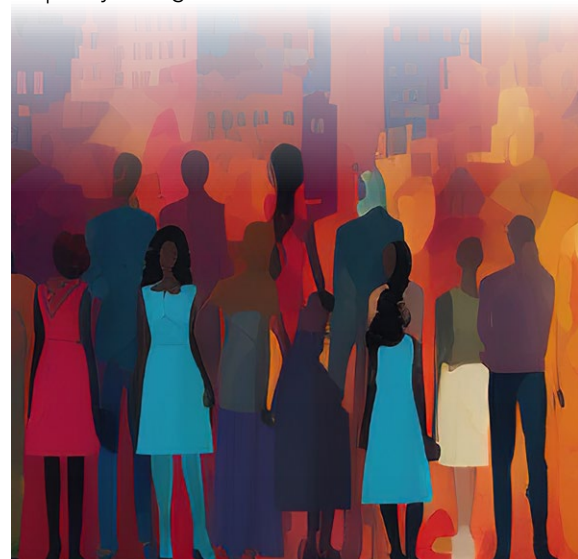
Dr. Song's investigation illuminates a path for hospitality leaders, demonstrating how the nuanced interplay of TMT diversity can shape the efficacy of CSR efforts. The implications of

this study are profound, extending beyond theoretical discourse into actionable strategies. With a focus on age and industry experience, this work underscores an often-overlooked aspect of leadership composition that can pivot CSR from a principled endeavor to a profitable strategy.

The insight provided by Dr. Song's research is particularly timely. As the hospitality industry faces the dual challenges of evolving consumer expectations and the need for sustainable growth, the study offers a blueprint for aligning ethical initiatives with financial outcomes. Dr. Song's findings serve as a valuable resource for those within the sector who are in a position to make impactful decisions—highlighting the potential of well-considered TMT diversity to turn CSR into a competitive advantage.

Through this research, Rosen College reaffirms its role as an incubator for innovative thought and practical solutions in hospitality management. By focusing on the critical intersection of CSR and financial performance, and the moderating role of TMT diversity, Dr. Song not only contributes to the college's prestigious academic legacy but also influences the industry's approach to leadership and corporate strategy. This research offers a lens through which the hospitality sector can re-examine and potentially redefine its approach to corporate governance and social responsibility.

In summary, Dr. Song's team's study is more than an academic endeavor; it is a call to action for industry leaders to strategically leverage the diversity within their ranks. This research is poised to inspire a forward-thinking dialogue and a re-evaluation of best practices that could shape the future of hospitality management.



RESEARCHERS IN FOCUS

RESEARCH OBJECTIVES

Dr. Song analyzes TMT diversity's effect on the CSR–FP link in hospitality and identifies which aspects enhance or detract from financial performance.

REFERENCES

Song, H.J., Yeon, J., & Lin, M.S. (2024). The more diverse, the better? Exploring the moderating role of hospitality top management team diversity on CSR–FP link. *International Journal of Hospitality Management*. 117, 103650. doi.org/10.1016/j.ijhm.2023.103650

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PERSONAL RESPONSE

How did exploring the specific moderating roles of age, gender, industry experience, and tenure within TMT diversity shape your understanding of the CSR–FP relationship in the hospitality industry?

// The findings of this study elucidate the complex roles played by various dimensions of TMT diversity in the relationship between CSR and FP. Specifically, the study highlights the imperative for strategic alignment within TMTs, asserting that diversity should transcend mere symbolic representation. The empirical evidence suggests that the mere presence of a diverse TMT is inadequate; rather, the particular mix of diversity, characterized by age, experience, and tenure, profoundly impacts the capacity to utilize CSR initiatives for enhancing firm performance within the hospitality sector. This finding holds significant implications for the hospitality industry, wherein customer satisfaction and CSR are increasingly intertwined with business success. Consequently, this study not only contributes to the theoretical discourse by illustrating that the CSR–FP nexus is contingent upon the TMT's diversity but also provides practical guidance for industry stakeholders in optimizing TMT composition to achieve superior CSR outcomes. //

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Dr. Hyoungju Song, Assistant Professor at UCF Rosen College of Hospitality Management, specializes in environmental, social, and governance issues and growth strategies within the hospitality sector from a financial analysis perspective. His research has expanded to include regulatory changes and entrepreneurship, with a focus on small and medium enterprises (SMEs).

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