Evaluating the relationship between corporate social responsibility, digital transformation, reputation and sustainable competitive advantage to business performance: Empirical research at restaurant and hotel enterprises in Ho Chi Minh City, Vietnam

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Abstract

The objective of this study was to examine the relationship between CSR for employees; CSR for customers; CSR for the environment; CSR for the local community; digital transformation through the role mediation of reputation and sustainable competitive advantage in Ho Chi Minh City, Vietnam. This study focuses on the foundations of constructing determinants of corporate performance, including CSR for customers, employees, the environment, and the local community, as well as digital transformation for future consideration. 497 managers who are actively involved in running hotels and restaurants in Ho Chi Minh City and who are also members of the Board of Directors were surveyed for the study. Data was gathered between April 7, 2024, and November 18, 2024. The most often observed variables for each factor were identified by the authors using confirmatory factor analysis (CFA) and structural Equation Modeling (SEM). According to research findings, the CB-SEM model showed that reputation and sustainable competitive advantage mediated the effects of CSR for employees, CSR for customers, CSR for the environment, CSR for the local community, and digital transformation on business performance with respect to earlier variables. There based on the aforementioned findings, the study has recommended managerial changes to enhance future investments in raising corporate social responsibility (CSR) for local communities, employees, customers, the environment, and digital transformation, reputation, and sustainable competitive advantage in order to achieve high business performance in hotels and restaurants in Ho Chi Minh City, Vietnam.

Competing Interests: The authors declare that they have no competing interests.
Authors' Contributions: All authors contributed equally to the conception and design of the study. All authors have read and agreed to the published version of the manuscript.
Transparency: The authors confirm that the manuscript is an honest, accurate, and transparent account of the study; that no vital features of the study have been omitted; and that any discrepancies from the study as planned have been explained. This study followed all ethical practices during writing.

1. Introduction

The tourism and hotel industry was hardest hit despite a plethora of efforts to curb the pandemic's spread and its impact on economic growth. Since COVID-19 pandemic took placed, Vietnam's tourism industry has been struggling with a sharp drop in visitors as well as a chronic shortage of staff resources [1]. The tourism sector experienced a decline in tourists from key markets, such as China, South Korea, and the US [1]. Moreover, Covid- 19 pandemic has reduced international visitor numbers in the first three months of 2020 by 18.1% compared to the same period last year [1].

Although the tourism sector alone accounts for 7% of Vietnam's GDP, that figure drops to 5.52% when other related hospitality activities, such as food and drink, are taken into account [1]. Numerous tourism-related firms have been forced to fall into hibernation mode as a result of cancelled vacation plans. The food and beverage sectors have suffered as a result of the closure of both large and small hotels. In order to solve their financial difficulties, many employees in these areas are considering changing careers. This could ultimately make the human resource shortage in the travel and hospitality industry worse [1].

Specially, Ho Chi Minh City is both tourism attracted place and serves as Vietnam's gateway and transportation center . Additionally, Vietnam is situated in a strategic geographic location that links it to regional, international, and local commercial partners [2]. Furthermore, with a wealth of people and natural tourist resources, Ho Chi Minh City provides the globe with a range of tourism experiences, including shopping tourism, MICE tourism, cultural and historical tourism, and more. Consequently, Ho Chi Minh City is regarded as the nation's most energetic tourist destination [2]. The total number of foreign tourists to Ho Chi Minh City increased by 13.48% from 2018 to 2019, reaching 8,619,000 [2]. Ho Chi Minh City's tourism business brought in 140,017 billion VND, a 13% rise from 2018, and 32.77 million domestic visitors, an 11% increase from 2018. About 50% of Vietnam's foreign tourists and about 20% of its tourism-related income come from activities in Ho Chi Minh City [2]. In the latter half of 2019, Ho Chi Minh City's tourism sector was expanding quickly. The COVID-19 outbreak, however, turned this around [2].

A reaction strategy is perhaps the most crucial topic for hospitality companies because the Covid-19 outbreak and the measures put in place to stop its spread, such travel bans and social isolation, have caused difficulties for the hotel and restaurant sector [1]. However, these tactics are primarily designed to assist hotel and restaurant organizations in continuing their operations in order to survive in the market. Failure to retain staff and provide alternative services to clients could result in their demise. There must be altered for hotel's structure to manage the establishment during a crisis [1].

Despite the implementation of several regulations, initiatives, and steps to support hotels and restaurants during the COVID-19 pandemic; the ability to improve hotels and restaurants' performance during and after the outbreak has not yet been shown. What is the greatest way for hotels and restaurants to improve their performance?

Through the theoretical overview, author found that the following components influence business performance as: green environment and equipment [3] knowledge creation process and Brand orientation [4] Knowledge management and Organizational Trust [5] relational capability, learning capability and technological capability [6] social media usage, business planning extent, innovation practice and government support [7] Education, Experience, market orientation and entrepreneurial orientation [8] service quality and innovation [9] adaptive capability, environmental behavior, corporate sustainability performance [10] intangible resource and dynamic capabilities [11] relational capital and entrepreneurial orientation [12] External Environmental Factor (Environmental Systems, Relationship building, Technology) and Internal Resources (Human Capital, Innovation) [13]. human capital, structural capital and relational capital [14]. Unrelated diversification and related diversification [15] innovation capability [16] dynamic capabilities, the high-performance organization [17].

However, the author discovered that there is still little direct aggregate influence of social responsibility on business performance related to the environment, consumers, employees, the community, digital transformation, transformational leadership, and sustainable competitive advantage. Specifically, the indirect effects of corporate reputation, digital transformation, and transformational leadership on business performance through sustainable competitive advantage, as well as the indirect effects of social responsibility to the community, customers, employees, and environment, have not been discovered by the author.

Consequently, this research will take this approach and also close the gap in the authors' research Probojakti, et al. [18] and González-Rodríguez, et al. [19] market orientation (Social Benefit Orientation, Inter-functional Coordination, Competitor Orientation, Customer Orientation) [20] entrepreneurial orientation and the process of knowledge creation [21] and market intelligence acquisition and utilization [22].

At the same time, this study will answer the question of the relationship between Corporate Social Responsibility, digital transformation, reputation and sustainable competitive advantage with business performance at Restaurant and Hotel Enterprises in Ho Chi Minh City, Vietnam which is the most developed tourism industry in Vietnam, through the use of confirmatory factor analysis (CFA) and the application of structural equation modeling (SEM) to assess this relationship.

2. Literature Review

2.1. Strategic Management Theory and Resource-Based Theory (RBT)

In order to assist enterprises achieved their goals, management theory offers a straightforward conceptual framework for knowledge organization and action planning [23]. Being aware of the contributions made by previous industrialists can help managers better understand how the organizational system and culture have been shaped [23]. Therefore, scientific management can be viewed as the foundation upon which the managerial aspects of organizations are methodically examined and refined for real-world implementation in the day-to-day operations of companies [24, 25]. Like any contemporary theory, scientific management theory has been criticized and modified over time to meet the demands of

enterprises and the contexts in which they operate [23]. The key survival trait is the capacity to adapt and alter to the needs of the environment without compromising the essential structural elements being promoted [23].

In particular, strategic management includes setting an organization's objectives, developing plans and policies to achieve those objectives, and allocating resources to implement those plans and policies. David [26] asserts that strategic management can be thought of as a combination of strategy development, execution, and assessment. The three main sources of strategic management theories are without a doubt the information technology approach, the contingency approach, and the systems perspective. The following popular theories of strategic management are listed and relevant, per David [26]: The theories of competitiveness and profit maximization, resource management, survival, human resources, agency, and contingency have all been proposed.

Furthermore, a business is considered to have a persistent competitive advantage when it is following a value-creating strategy that none of its current or potential competitors are pursuing concurrently and when those competitors are unable to duplicate the benefits of this approach [27]. Next, according to Barney [27] a firm resource needs to exhibit four characteristics in order to have the ability to provide competitive advantage: It must (a) be valuable in the sense that it exploits opportunities and/or eliminates threats in the firm's environment; (b) be unique among the firm's current and prospective competitors; (c) be imperfectly imitable; and (d) not be able to be replaced strategically [27].

Despite its widespread use in strategic management, the phrase "Competitive advantage" is still not well defined or operationalized [28]. Three conclusions are drawn by Ma [28] in his conceptual exploration of the different patterns of the relationship between competitive advantage and firm performance: (i) superior performance is not synonymous with competitive advantage; (ii) competitive advantage is a relational term; and (iii) competitive advantage is context-specific. There existed the relationship between competitive advantage and firm performance further examined by Ma [28] in following ways: (i) superior performance without competitive advantage; (ii) superior performance with competitive advantage; and (iii) superior performance without competitive advantage.

2.2. Corporate Social Responsibility (CSR), Company Reputation (CR) and Business Performance (BP)

CSR is an essential area of study for business ethics. According to current CSR theories, firms rely on society for their survival, expansion, and continuation. Fair business practices increase the likelihood that society will view companies favorably [29]. The foundation of CSR is the idea that doing the right thing is important for creating a positive environment and society [29]. Specially, customers, suppliers, employees, stockholders, and the local community are examples of groups that have a claim to or a stake in the company [29].

However, according to Barnett, et al. [30] a company's reputation is "the collective judgments of observers of a corporation based on assessments of the financial, social, and environmental impacts attributed to the corporation over time." Businesses can therefore improve their corporate image by focusing on appropriate CSR initiatives and avenues of communication Fombrun [31]. Park, et al. [32] In addition, the stimulus-organism-response paradigm describes how CSR programs affect consumer behavior that could be impacted by a company's fame. It claims that "the external environment's stimulus influences the consumer's internal choice-regulation process, which in turn determines the consumer's behaviors constituting choice." [19].

As a result, CSR initiatives help companies build their reputation and improve their overall company reputation, which gives them a competitive edge in the market [33-36]. Additionally, there also confirmed that reputation impacted on performance [37, 38].

Furthermore, Numerous research studies have demonstrated a connection between corporate social responsibility (CSR) activities and business performance [33, 39, 40]. More precisely, some research Qu [41]; Zhu, et al. [37] and Kang, et al. [42] demonstrated the connection between CSR practices and the performance of enterprises or organizations. Moreover, business performance was a construct that consists of market performance and financial performance [19]. There, hypotheses are suggested

H_1: CSR for employees influence business performance directly and positively

H_{1a} CSR for employees influence business performance directly and positively.

H_{1b}: CSR for customers influence business performance directly and positively.

H_{1c}: CSR for the environment influence business performance directly and positively.

H_{1d} CSR for the local community influence business performance directly and positively

H_2: CSR influence reputation directly and positively

H_{2a} CSR for employees influence reputation directly and positively.

H_{2b}: CSR for customers influence reputation directly and positively.

H_{2c}: CSR for the environment influence reputation directly and positively.

H_{2d} CSR for the local community influence reputation directly and positively

H_3: reputation influence business performance directly and positively.

H_4: CSR (CSR for employees (4a); CSR for customers (4b); CSR for the environment (4c); CSR for the local community (4d)) indirectly influence business performance through the mediation of reputation positively.

2.3. Digital Transformation (DT), Sustainable Competition Advantage (SCA) and Business Performance (BP)

Sustainable Competitive Advantage is the capacity to keep their edge over rivals over the long run by streamlining expenses, goods, and services. Specially, three indicators are used to measure Sustainable Competitive Advantage, which is based on cost advantage, product advantage, and service advantage [18]. Moreover, achieving a sustained competitive advantage requires transformational leadership because it encourages creativity, flexibility, and ongoing development

inside a company [18]. The Resource Base View's tenets—that distinctive, valuable, and inimitable internal resources are essential for maintaining competitive advantage—align with transformational leadership's dual roles as a major internal resource and a catalyst for innovation and adaptability [18]. Employees are inspired and motivated to welcome change, think creatively, and contribute to the organization's long-term objectives by leaders who use a transformational approach. Keeping a competitive edge in quickly evolving markets requires that staff be encouraged to question the status quo and concentrate on achieving higher performance levels [18].

Additionally, digital transformation aids businesses in innovating product offerings, streamlining internal procedures, and personalizing client experiences [18]. Businesses create enduring customer loyalty and trust by utilizing technology to enhance service delivery and optimize the customer journey. These factors are essential for preserving a competitive advantage. In this sense, by encouraging ongoing innovation, operational resilience, and customer involvement, digital transformation not only improves operational performance right away but also creates long-term competitive advantage [18]. Furthermore, there affirmed that sustainable competitive advantage has directly impacted business performance [43, 44]. The research hypotheses are as follows

H5: Digital Transformational (IT readiness, strategic alignment, digital culture) positively influences business performance.

H6: Digital Transformational (IT readiness, strategic alignment, digital culture) positively influences sustainable competitive advantage.

H7: Sustainable competitive advantage positively influences business performance.

H8: Digital Transformational (IT readiness, strategic alignment, digital culture) indirectly and positively influences business performance through sustainable competitive advantage.

2.4. Conceptual Framework

The authors have developed a model for this study by synthesizing documents, which includes CSR for customers, employees, the local community, the environment, and digital transformation (IT readiness, digital culture, and strategic alignment), reputation, sustainable competitive advantage (cost advantage, product advantage, and service advantage), and business performance (marketing and financial performance), as detailed in Figure 1:
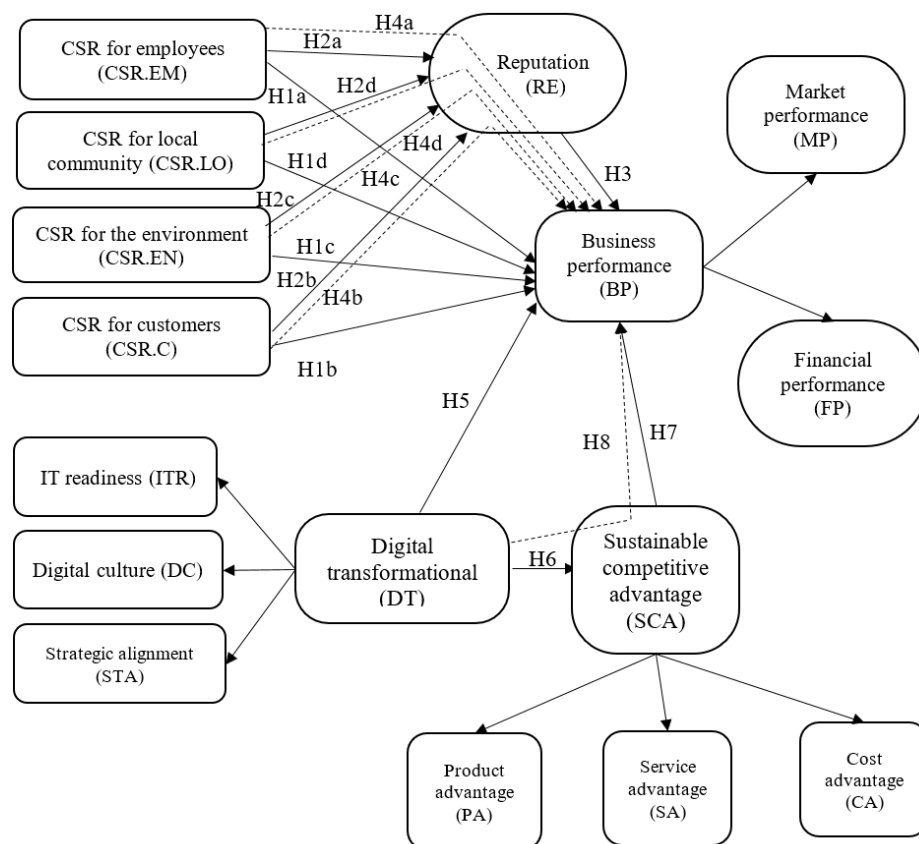

Figure 1. Illustrated in the author's research model, which builds upon previous studies to explore the relationship between corporate social responsibility, digital transformation, reputation, sustainable competitive advantage, and their impact on business performance.

3. Research Methodology

3.1. Sample

There collected the data for using to check the measures and exploring the impact as well the necessity of the research model – CSR for employees, CSR for customers, CSR for the environment, CSR for the local community, reputation, digital transformance (IT readiness, Digital culture, Strategic alignment), sustainable competitive advantage (Product advantage, Service advantage, Cost advantage for business performance (market performance, financial performance).

It's ensure to obtain a high reliability in which the author handed 550 survey questionnaires to senior manager of hotels and restaurants in the Ho Chi Minh City, Vietnam. As a result, The valid answer sheets were 497, there obtained successful ratio of surveys was 90,36%. Self-completed questionnaires were firstly sent to leaders of hotels and restaurants who were attended at the hotels and restaurants' conferences in Ho Chi Minh City – Vietnam. The survey was completed between April 7, 2024, and November 18, 2024 by convenience sampling method through direct survey.

3.2. Measures

Constructs examined were CSR employees, CSR environment, CSR local community, CSR customers, Reputation, business performance (Market performance, Financial performance), digital transformation (IT readiness, strategic alignment, digital culture), sustainable competitive advantage (cost advantage, product advantage, service advantage). There based on the research of González-Rodríguez, et al. [19] five items were used to measured CSR employees; CSR environment were assessed by there items; CSR local community were evaluated by four items; CSR customers were measured by there items; both market performance and Financial performance were assessed by four items for each construct. Next, IT readiness were evaluated by there items; strategic alignment were measured by five items; digital culture were assessed by there items [18]. Finally, cost advantage, product advantage and service advantage were evaluated by there items for each factor. Every scale was measured using a five-point Likert scale, with 1 denoting "strongly disagree" and 5 denoting "strongly agree." Research articles were used to cite the questionnaire's original source in English.

3.3. Data Analysis

The author of this study assessed and reaffirmed the validity and reliability of the scales using confirmatory factor analysis (CFA). There were two processes involved in the validation of the measures. A final assessment model was created by combining second-order constructs (business performance, digital transformation, sustainable competitive advantage) with the CFA model of business performance (market performance, financial performance), digital transformation (IT readiness, strategic alignment, digital culture), sustainable competitive advantage (cost advantage, product advantage, service advantage), Reputation, CSR customers, CSR local community, CSR environment, CSR employees were first evaluated before being combined with second-order constructs (business performance, digital transformation, sustainable competitive advantage) to form a final measurement model.

4. Results

4.1. Construct Validity of IC

Initially, exploratory factor analysis (EFA) was utilized to examine concept validity; the author then employed confirmatory factor analysis (CFA) to assess [45]. Throughout this study, the primary goal of factor analysis has been to investigate the relationships between different items within each construct and to create scales that would be used in the future linkage analysis. Factor loadings were extracted using Promax rotation in the EFA.

Table 1 illustrates how factor analysis explains the variance percent, eigenvalues, and cumulative percent of variance; all principal components loadings for KMO (Kaiser-Meyer-Olkin) are more than 0.85, meeting the minimal loading requirements. KMO is responsible for 88.237 percent of the variation. Each KMO component's mean value is greater than 2.7, suggesting that these CEOs typically have a poor level of agreement with the variable. Sig (Bartlett test) = 0.00 < 0.05 and KMO index = 0.889 > 0.5. Additionally, Cronbach Alpha was used to assess the measurement scale. Every component has at least 0.85, indicating that respondents' assessments of each item are highly in agreement.

Next, All principal components loadings for KMO are more than 0.85, meeting the minimum loading criteria. The variance percent, eigenvalues, and cumulative percent of variance are explained by factor analysis, as seen in Table 2. KMO is responsible for 84.421 percent of the variation. It is suggested that these CEOs typically have a low level of agreement with this variable because the mean of each KMO component is more than 2.4. KMO's index is 0.892 > 0.5, while the Bartlett test's sig is 0.00 < 0.05. Additionally, the measurement scale was assessed using Cronbach Alpha. Each component is recorded at least 0.9, indicating that respondents have a high level of agreement with each item.

For sufficient validity and precise validity, respectively, each item loading must be more than 0.5 and 0.7 due to convergent validity. Moreover, each factor's Average Variance Extracted (AVE) index must be higher than 0.5 in order to confirm the validity and reliability. The square root of the AVE for a component must be higher than the variance that all of the conceptual framework's ideas share due to discriminant validity. Table 3 displays each component's components as well as its Composite Reliability (CR) and AVE values. All constructs are entirely acceptable for this study, according to the results, with AVE significantly more than 0.5 [46] Cronbach Alpha values exceeding 0.7 (Tables 1 and 2), and CR exceeding 0.7 [47].

Table 1.
Mean, reliability test, and exploratory factor analysis.

Variables	Component						
	Strategic alignment	Marketing performance	Product advantage	Digital culture	Reputation	Service advantage	IT readiness
STA2	0.955						
STA1	0.949						
STA4	0.932						
STA5	0.928						
STA3	0.928						
MP3		0.967					
MP4		0.962					
MP1		0.952					
MP2		0.939					
PA2			0.970				
PA3			0.928				
PA1			0.911				
DC1				0.970			
DC2				0.960			
DC3				0.925			
RE3					0.945		
RE1					0.935		
RE2					0.934		
SA2						0.952	
SA1						0.885	
SA3						0.854	
ITR1							0.924
ITR2							0.911
ITR3							0.876
Eigenvalue	7.318	4.359	3.517	2.126	1.561	1.163	1.132
% of variance	30.491	18.164	14.655	8.860	6.505	4.845	4.717
Cumulative %	30.491	48.655	63.310	72.170	78.675	83.520	88.237
Mean	2.72	3.58	3.79	3.86	2.98	3.61	3.70
Cronbach alpha	0.967	0.968	0.937	0.952	0.932	0.892	0.904

Table 2.
Mean, reliability test, and exploratory factor analysis.

Variables	Component					
	CSR for employees	Financial performance	CSR. For local community	CSR for the environment	Cost advantage	CSR for customers
CSR.EM3	0.908					
CSR.EM2	0.907					
CSR.EM5	0.903					
CSR.EM4	0.900					
CSR.EM1	0.886					
FP2		0.953				
FP1		0.953				
FP4		0.950				
FP3		0.937				
CSR.LO3			0.908			
CSR.LO1			0.903			
CSR.LO2			0.883			
CSR.LO4			0.876			
CSR.EN2				0.926		
CSR.EN3				0.921		
CSR.EN1				0.910		
CA2					0.935	
CA3					0.912	
CA1					0.908	
CSR.C2						0.948
CSR.C3						0.924
CSR.C1						0.905
Eigenvalue	7.610	3.124	2.452	2.096	1.945	1.345
% of variance	34.593	14.198	11.146	9.529	8.843	6.113
Cumulative %	34.593	48.791	59.937	69.466	78.309	84.422
Mean	3.17	3.54	3.17	2.44	3.85	2.95
Cronbach alpha	0.943	0.963	0.917	0.910	0.907	0.922

Table 3.
Construct validity.

Variables	Critical ratio	Average variance extracted	Maximum shared variance	Max R(H)	CSR for employees	CSR for local community	Reputation	CSR for the environment	CSR for customers	sustainable competitive advantage	Business performance	Digital transformation
CSR for employees	0.943	0.767	0.209	0.943	0.876							
CSR for local community	0.917	0.734	0.209	0.918	0.457	0.857						
Reputation	0.932	0.820	0.087	0.932	0.254	0.253	0.906					
CSR for the environment	0.91	0.772	0.245	0.910	0.280	0.292	0.240	0.878				
CSR for customers	0.922	0.798	0.245	0.923	0.412	0.418	0.274	0.495	0.893			
Sustainable competitive advantage	0.847	0.650	0.065	0.860	0.005	0.016	0.021	0.010	0.002	0.807		
Business performance	0.971	0.943	0.129	0.974	0.321	0.299	0.294	0.294	0.338	0.255	0.971	
Digital transformation	0.746	0.500	0.129	0.781	0.118	0.034	0.072	0.081	0.077	0.202	0.359	0.707
Chi-square/df=1.328; df=953; GFI=0.903; TLI=0.985; CFI=0.986; RMSEA=0.026												

Following that, the model obtained a good model fit with the following indexes: CMIN/DF = 1.328, TLI = 0.985, CFI = 0.986, GFI = 0.903 and RMSEA = 0.026; thus, strong support for confirmatory factor analysis of all constructs.

4.2. Structural Model Results

The CSR.EM, CSR.LO, RE, CSR.EN, CSR.C, SCA, DT, and business performance (BP) constructs' mean, bivariate correlation, and Cronbach's values are displayed in Table 3. The mean value of CSR.EN is 2.44, however another value mean was higher than 2.44 and ranged from 2.72 to 3.86. This finding suggested that while these CEOs generally agree with CSR.EN and other constructs, their agreement is not very strong. All of the composite reliabilities (CR) were above the suggested cut-off value of 0.7, with values ranging from 0.746 to 0.971.

For the entire set of components, the average variance extracted (AVE) was higher than 0.5, above the convergent validity minimal requirement of 0.5. The Cronbach's alphas, which exceeded the 0.7 criterion and varied from 0.892 to 0.968, demonstrated strong internal consistency and scale stability.

Using the square root of AVE to compare the idea correlations, Table 3 shows that discriminant validity was achieved. The diagonal insertions of the matrix (in bold), which represents the square root of AVEs, were all higher than the corresponding inter-construct correlations because the correlations between the composite of the latent constructs and all the other constructs were less than 0.7, indicating sufficient differences between the constructs and discriminant validity. Further evidence of discriminant validity was provided by observing the cross-loadings and confirming that the total indicator loadings were higher than the cross-loadings of each individual indicator. Since the measurement model that emerged fit the data well (CMIN/DF = 1.328, TLI = 0.985, CFI = 0.986, GFI = 0.903, and RMSEA = 0.026), it was deemed suitable for further structural equation analysis.

Table 4.
Structural model results.

Hypothesis	Effect	Coefficient	P-value	Conclusion
H1a	CSR.EM ➔ BP	0.117	0.016**	Supported
H1b	CSR.C ➔ BP	0.125	0.018**	Supported
H1c	CSR.EN ➔ BP	0.109	0.026**	Supported
H1d	CSR.LO ➔ BP	0.110	0.025**	Supported
H2a	CSR.EM ➔ RE	0.121	0.026**	Supported
H2b	CSR.C ➔ RE	0.121	0.041**	Supported
H2c	CSR.EN ➔ RE	0.113	0.039**	Supported
H2d	CSR.LO➔ RE	0.114	0.039**	Supported
H3	RE ➔ BP	0.155	0.000***	Supported
H4a	RE mediates CSR.EM and BP	0.019	0.047**	Supported
H4b	RE mediates CSR.C and BP	0.019	0.048**	Supported
H4c	RE mediates CSR.EN and BP	0.018	0.043**	Supported
H4d	RE mediates CSR.LO and BP	0.018	0.027**	Supported
H5	DT ➔ BP	0.272	0.000***	Supported
H6	DT ➔ SCA	0.199	0.000***	Supported
H7	SCA ➔ BP	0.197	0.000***	Supported
H8	SCA mediates DT and BP	0.039	0.003***	Supported

Note: Significance level: ***: 99%, **: 95%.

The results support most of the hypotheses and are in line with previous formulation and subsequent testing of various hypotheses Table 4. The findings support majority of the empirical findings connected to the resource-based theory. Results shows that all hypothesis is accepted as detail Figure 2 is presented results from the Structural Equation Model (SEM).
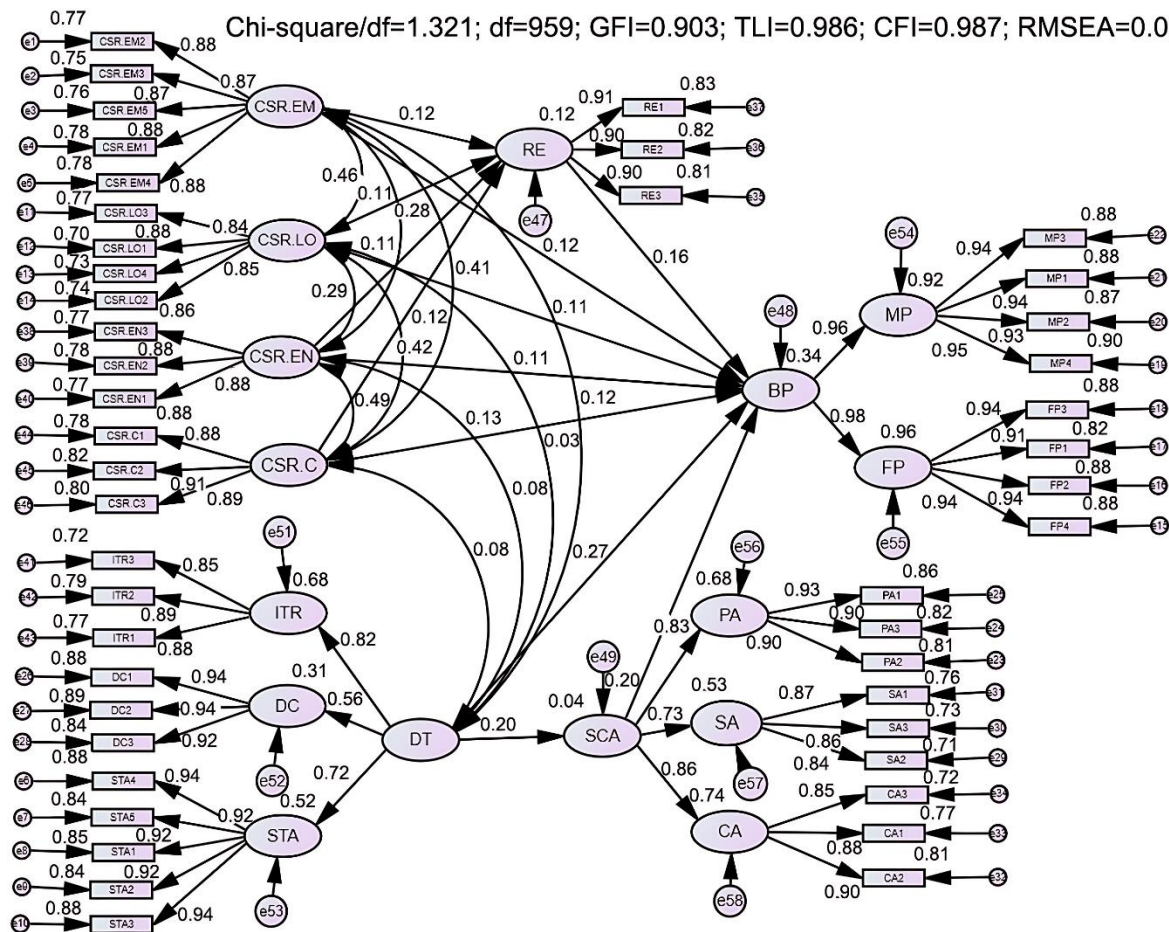
Figure 2.
Structural equation model (SEM) results.

5. Discussion

The findings demonstrated that every hypothesis was supported and that the study addressed the gaps in the author's previous research Probojakti, et al. [18] and González-Rodríguez, et al. [19]. The author suggests the following consequences based on the findings of the study:

Firstly, CSR for employees directly and positively influence both business performance and reputation; therefore, managers of hotels and restaurants need to encourage employee growth might include such as: (1) Offering access to workshops, courses, or certifications relevant to their roles (e.g., customer service, leadership, or hotel and restaurant management); (2) Pairing employees with experienced mentors who can guide them through career growth, offer advice, and help navigate challenges; (3) Helping employees understand potential growth trajectories within the company by setting clear career advancement opportunities; (4) providing equal chances, advancements, and professional growth to all workers, irrespective of their gender, background, or other individual characteristics; (5) providing competitive compensation in addition to perks that recognize the value that staff members add to the hotel, such as health insurance, paid time off, and retirement programs. (6) investigating local and national salary statistics on a regular basis to make sure salaries are in line with industry norms. By doing this, employers may make sure that workers receive competitive compensation for comparable positions in the hospitality industry.

Secondly, CSR for customers influence both business performance and reputation directly and positively; so that, there need to focus some solutions as (1) ensuring that staff members have adequate training on how to deliver outstanding customer service, from welcoming visitors to addressing grievances. Staff members ought to be polite, informed, and willing to go above and beyond; (2) It can make a big difference to recognize and accommodate each guest's unique demands. Making guests feel valued and appreciated can be achieved by providing personalized touches, such as remembering their names or preferences; (3) Conducting regular surveys (both during and after a guest's stay) to gather insights about their experience and preferences. You can also use online surveys or polls to understand what guests want in terms of services, amenities, and new offerings.

Thirdly, CSR for the environment influence both business performance and reputation directly and positively. So, there need to decrease by investing in energy-efficient equipment like air conditioners, low-energy refrigerators, and Light-emitting diode (LED). Next, reducing transportation-related emissions can be achieved by purchasing goods, food, and drinks locally. Additionally, assisting regional farmers, craftspeople, and merchants boosts the local economy and lessens the carbon footprint caused by long-distance shipping. Besides, the hotel can lessen its carbon impact by acquiring energy

from sustainable sources like solar or wind. In order to produce their own clean energy, several hotels decide to put in solar panels.

Fourthly, CSR for the local community influence both business performance and reputation directly and positively. There can be necessary to Establish programs that actively seek to hire individuals from marginalized or vulnerable groups, such as those with disabilities, long-term unemployed individuals, people with criminal records, or those from economically disadvantaged backgrounds. Moreover, there collaborate with organizations that focus on helping individuals at risk of social exclusion, such as shelters, rehabilitation centers, or training programs, to create job placements or internships for these individuals.

Fifthly, reputation influence business performance directly and positively; So that, there need to focus on sustainability and social responsibility. Next, managers' hotels and restaurant always need to invest on innovation, incorporating new technologies and trends to enhance the guest experience.

Sixthly, Digital Transformational positively and directly influences both business performance and sustainable competitive advantage. Therefore need to invest on upgrading internal Dropbox and Google Drive to better store client information. Next, there invest on website to improve hotels and restaurants' business. Furtheremore, There manage and run the business by using the Microsoft Word, Excel, and PowerPoint. Specially, there strongly paid attention to develop the Social media such as Instagram, Facebook, TikTok, Twitter, and YouTube to improve both hotels and restaurants' business performance and sustainable competitive advantage. Digital technology (WhatsApp, Instagram, Facebook, YouTube), data storage platforms (Google Drive), and data analytical tools (Google Analytics and social media analytics) are the most crucial solutions for hotels and restaurants when it comes to managing their business activity operations.

Finally, Sustainable competitive advantage positively influences business performance; therefore, it's necessity to supervice and evaluate the cost advantage such as: (1) There well manage tangible asset or material that is used in the operation of hotels and restaurants' business or organization and optimize its relationships with suppliers to ensure smooth, efficient, and mutually beneficial interactions. Next, They oversee, establish, and preserve solid, enduring, and pleasant connections with their clients. The abilities, tactics, and assets a business employs to comprehend client needs, interact with them successfully, and provide tailored experiences that promote happiness and loyalty are all part of it. Besides, it's necessity to supervice and evaluate service advantage by managing the financial resources (the funds or capital that a business uses to operate, invest, and grow). As detail, making strategic investments, keeping up daily operations, and accomplishing long-term corporate objectives all depend on these resources. Financial resources are necessary for both immediate demands and long-term planning, and they can originate from a variety of sources.

Specially, there need to manage and develop product advantage through physical resource; as detail there manage the Inventory and Raw Materials; Furniture and Fixtures, Technology and IT Infrastructure. Next, They effectively develop, produce, and launch new goods. It entails a mix of abilities, procedures, assets, and expertise that enable a company to innovate, create new goods, and consistently enhance current ones. Businesses can meet client requests, maintain their competitiveness, and spur growth with a strong product development competence.

6. Conclusions

This research has significant limitations that must be resolved and focused on core contextual aspects impacting on company performance (e.g., CSR for employees; CSR for customers; CSR for the environment; CSR for the local community, reputation, sustainable competitive advantage, digital transformation), which may be of use to a possible restriction to this study. Future studies can determine whether other factors have an impact on business performance. Second, each hotel and restaurant business is only represented by one respondent in this study due to time constraints. The paper's representativeness is low because it was only conducted in Ho Chi Minh City, Vietnam. Future studies can be conducted in other Vietnamese cities. Only 497 respondents made up the sample size in this study; larger numbers of respondents must be surveyed for the future study. Finally, this article only uses variables such as: CSR for employees; CSR for customers; CSR for the environment; CSR for the local community, reputation, sustainable competitive advantage, digital transformation to test their collective effect to business performance. Future studies ought to employ a different variable that hasn't been mentioned in this one yet. Future tests of the study paradigm must employ a multigroup method and moderation.

Besides, second - order scale of digital transformation (IT readiness, strategic alignment, digital culture); sustainable competitive advantage (cost advantage, service advantage, product advantage) directly and significantly impacted on hotel and restaurant's performance. So, hotel and restaurant management must create training courses in Google Analytics/Search Engine Optimization/Google Business/Social Media Analytics, Instagram, Facebook, TikTok, Twitter, and YouTube, as well as Microsoft Word, Excel, and PowerPoint. Next, managers of hotels and restaurants need to invest and develop Market Research and Consumer Insights, Cross-functional Collaboration, Agile Development Process, Technical Expertise and Resources, Buildings and Facilities, Equipment and Machinery, Inventory and Raw Materials, Technology and IT Infrastructure, Supplies and Consumables. Last but not least, in order to improve corporate performance, managers had to share innovative and good ideas with all employees. They also had to write and announce incentive plans for ideas that improved performance.

7. Limitations

There are serious issues with this study that need to be addressed, but it only focused on important contextual factors that affect business success (e.g., CSR for employees, CSR for customers, CSR for the environment, CSR for the local community, reputation, sustainable competitive advantage, digital transformation). This can be considered one of the

research's limitations. Future research can determine whether other elements affect the performance of different types of firms. Second, due to time constraints, each target business in this study is represented by a single responder. Researchers typically collect response data from informants within businesses when studying organizational issues. The authenticity of the results and the quality of the data are enhanced when multiple informants from the same company are used. In the future, a larger number of informants from each responding organization should be surveyed. Finally, this study only measures data from Ho Chi Minh City, Vietnam, which makes it difficult to explain and generalize the findings. To improve the explanation and generalization, more research should be conducted in other nations.

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