

# NEXUS BETWEEN SERVANT LEADERSHIP, GREEN KNOWLEDGE SHARING, GREEN CAPACITIES, GREEN SERVICE INNOVATION, AND GREEN COMPETITIVE ADVANTAGE IN THE HOSPITALITY SECTOR OF PAKISTAN: AN SDG & ESG STAKEHOLDER COMPLIANCE FRAMEWORK

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## ABSTRACT

*This paper proposes a sequential mediation framework to examine the impact of Environmentally Specific Servant Leadership (ESSL) on Green Competitive Advantage (GCA) in Pakistan's hospitality industry, in compliance with Environment Social Governance (ESG) and Sustainable Development Goals (SDGs). Proponents have construed that ESSL is theoretically responsible for instigating Green Knowledge Sharing (GKS) and Green Capacities, subsequently influencing Green Service Innovation and ultimately resulting in augmenting Green Competitive Advantage (GCA). The study employs concepts derived from literature on sustainable leadership and knowledge management to formulate theoretical propositions and outline the future research agenda, with in-depth policy recommendations in compliance with EGS and SDGs, formulating the Stakeholder Compliance Framework. This paper aims to provide guidance for future empirical research and offer practical suggestions to enhance sustainability and competitive advantage in the hospitality industry in Pakistan. Exploring the interrelationships among leadership, knowledge sharing, innovation, and competitive edge contributes to the ongoing discourse on organizational sustainability, specifically in compliance with SDG 12 (Responsible Consumption and Production), SDG 8 (decent work and economic growth), SDG 9 (Industry, Innovation, and Infrastructure), and SDG 13 (Climate Action) in the Pakistani hospitality context, while exonerating SDG 16 (Peace, Justice, and Strong Institutions); however, the importance of often neglected SDG 4 (Quality Education) cannot be overemphasized.*

**Keywords:** Toxic Leaders; Leadership; Toxic Leadership Pandemic; Counterproductive Work Behavior (CWB); Organizational Citizenship Behavior. Sustainable Development Goals (SDGs).

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## INTRODUCTION

In developing countries like Pakistan, the hotel sector (Pakistan Bureau of Statistics, 2022) is facing growing pressure to adopt eco-friendly policies (UNWTO, 2018) that not only enhance corporate performance but also contribute to environmental preservation (Raza & Khan, 2022; Tanveer et al., 2024; Yousaf et al., 2021). The necessity to engage in good governance, and avoiding questionable governance (Mahboob, 2020 & 2022) are of paramount importance. Not only does good governance foster ethical compliance, but also gravitates towards Shariah compliance (Mahboob et al., 2022) and Environment Social Governance (ESG), while facilitating the achievement of Sustainable Development Goals (SDGs) and thus proactively averting a financial crisis. As the corporate landscape evolves, the advancement of eco-conscious initiatives hinges on the presence of articulate and resilient leadership. Environmentally Specific Servant Leadership (ESSL) has garnered significant attention for its ability to integrate sustainability into the core operations of companies (Gu & Liu, 2022; Yuan & Li, 2022; Zafar et al., 2022). ESSL extends beyond traditional servant leadership by emphasizing environmental stewardship, enabling organizations to align their goals with broader societal and environmental welfare (Brohi et al., 2021a and 2021b). Embracing sustainable leadership in the hotel industry has the potential to drive significant benefits by positively influencing both human behavior and environmental outcomes (Ferdig, 2007; Pham et al., 2019; Suriyankietkaew et al., 2022).

The hospitality sector of Pakistan is growing more conscious of its ability to attract environmentally minded consumers by implementing sustainable policies (Murtaza et al., 2024; Waris & Mohd Suki, 2024). It is unclear, though, exactly how ESSL will help to attain Green Competitive Advantage (GCA) in the Pakistani context. Still lacking is our knowledge of how ESSL influences Green Knowledge Sharing (GKS), Green Capacities, and Green Service Innovation, and how these elements cooperate to support GCA (Hossari & Elfahli, 2022; Muisyo et al., 2021). This gap must be closed in order to do extensive scholarly research and practically apply the results. Closing this knowledge gap will enable companies to increase their competitiveness and sustainability, as Luo et al. (2022) investigated how maritime logistic SMEs lead and gain competitive advantage by applying information technology. Technological innovation and high-performance work systems also contribute to enhancing the competitive advantage, as they potentially augment employee performance dynamics.

***Environmentally Specific Servant Leadership (ESSL) and Its Impact on Green Practices***  
Environmentally Specific Servant Leadership (ESSL) refers to a leadership approach that

emphasizes environmental stewardship, prioritizing sustainable practices while supporting and serving the needs of employees and stakeholders. ESSL is increasingly recognized for its role in promoting sustainable organizational behaviors such as Green Knowledge Sharing, Green Capacities, Green Service Innovation, and Green Competitive Advantage. Thus, it is necessary to examine each of these elements in retrospect of global statistics, their tangible and intangible effects, and the influence of ESSL, in compliance with Sustainable Development Goals (SDGs) and Environmental Social Governance (ESG).

### ***Hospitality Sector in Pakistan: Sustainable Development Goals (SDGs) and Environmental Social Governance (ESG) Context***

#### ***Sustainable Development Goals (SDGs) in the Pakistani Hospitality Sector***

The hospitality sector in Pakistan plays a significant role in achieving the SDGs (Pakistan Bureau of Statistics, 2022), particularly in the areas of responsible consumption and production (SDG 12), decent work and economic growth (SDG 8), and climate action (SDG 13).

#### ***SDG 12: Responsible Consumption and Production***

The hospitality sector in Pakistan has the potential to contribute to sustainable consumption patterns by reducing waste, conserving energy (Ahmed et al., 2022), and sourcing locally produced goods. For instance, hotels and restaurants can implement waste management strategies, reduce plastic usage, and promote the use of eco-friendly products (UNWTO, 2018).

#### ***SDG 8: Decent Work and Economic Growth***

The sector is a significant employer in Pakistan and can drive economic growth by creating jobs and promoting tourism. By adopting fair labor practices and supporting skill development, the industry can ensure decent work conditions, contributing to the broader goals of SDG 8 (International Labor Organization, 2020).

#### ***SDG 13: Climate Action***

The hospitality industry can play a crucial role in mitigating climate change through energy-efficient practices such as using renewable energy sources (Ahmed et al., 2022), optimizing water use, and implementing green building standards (UN Environment Programme, 2019).

#### ***Environmental Social Governance (ESG) in the Hospitality Sector***

ESG considerations are increasingly important in the Pakistani hospitality industry, reflecting the global trend towards sustainable and responsible business practices (Pakistan Bureau of Statistics, 2022). The sector can leverage ESG strategies to enhance its reputation, attract sustainability-minded customers, and reduce operational risks.

#### ***Key ESG Focus Areas in the Hospitality Sector***

### ***Environmental Stewardship***

Hospitality businesses are expected to manage their environmental footprint by reducing carbon emissions, conserving water, managing waste, and promoting biodiversity. This includes implementing energy-efficient technologies, such as LED lighting and low-flow water fixtures, and encouraging guests to participate in sustainability initiatives.

### ***Social Responsibility***

This includes ensuring fair labor practices, enhancing employee welfare, engaging with local communities, and supporting diversity and inclusion. In the Pakistani context, this also means addressing gender equality and providing safe work environments for women, who are often underrepresented in the sector (Pakistan Bureau of Statistics, 2022).

### ***Governance***

Strong governance frameworks ensure that hospitality businesses operate transparently and ethically, aligning with international standards and regulations (UN Environment Programme, 2019). This includes compliance with anti-corruption laws, financial reporting standards, and stakeholder engagement practices (OECD, 2020).

### ***ESG-Related Legal and Regulatory Framework***

#### ***a. Laws and Regulations in Pakistan***

##### ***Environmental Protection Act, 1997***

This act provides a legal framework for addressing environmental issues in Pakistan, including pollution control (Ahmed et al., 2022) and conservation of resources, which are critical for the hospitality sector.

##### ***National Climate Change Policy, 2012***

This policy emphasizes sustainable development and encourages industries, including hospitality, to adopt green technologies and reduce their carbon footprint (Ahmed et al., 2022).

#### ***b. International Laws and Regulations***

##### ***Paris Agreement***

As a signatory, Pakistan is committed to reducing greenhouse gas emissions, which impacts sectors like hospitality that contribute to environmental footprints through use and waste.

##### ***EU and US Environmental Regulations***

Though not directly applicable, these regulations influence global supply chains and can affect hospitality operators in Pakistan that engage with international partners or cater to foreign guests.

***c. International Labor Organization (ILO) Provisions***

***ILO Conventions on Decent Work***

These conventions advocate for fair wages, safe working conditions, and the right to organize, which are particularly relevant in Pakistan's hospitality sector, known for its reliance on low-wage labor (ILO, 2020).

***ILO Guidelines on Green Jobs***

These guidelines encourage the transition to a green economy, promoting practices such as green knowledge sharing and the development of green skills among workers in the hospitality sector (ILO, 2019). Further, the impact of CSR and green environmental initiatives triggers employee green behavior.

***Research Focus***

This paper aims to construct a robust theoretical framework that elucidates the sequential mediation mechanism through which Environmentally Specific Servant Leadership (ESSL) influences Green Competitive Advantage (GCA). ESSL initiates a cascade of processes, including the development of Green Capacities (Ahmed, Guo, Qureshi, Raza, Khan, & Salam, 2021) and Green Knowledge Sharing (GKS), which collectively drive Green Service Innovation, ultimately culminating in the achievement of GCA.

By integrating perspectives from innovation, knowledge management, and sustainable leadership literature, this framework seeks to enhance our understanding of how ESSL can be leveraged to foster sustainability and competitive advantage in the hotel sector. The proposed model aligns with Sustainable Development Goals (SDGs) such as SDG 9 (Industry, Innovation, and Infrastructure) and SDG 13 (Climate Action), and it supports Environmental, Social, and Governance (ESG) imperatives by promoting sustainable business practices and leadership accountability.

This research not only provides valuable insights for practitioners aiming to elevate their organizations' sustainability strategies but also establishes a structured foundation for future empirical investigations into the intersection of sustainable leadership and competitive advantage in hospitality.

## **LITERATURE REVIEW**

***Environmentally Specific Servant Leadership (ESSL)***

Sometimes called the Environmentally specific Servant Leadership model, the ESSL model is an improved form of the traditional servant leadership model. It adds excellent weight to

environmental sustainability in businesses (Tuan, 2021). By including ideas of servant leadership, the ESSL concept aims to encourage a leadership style that satisfies personal needs and gives the surroundings top priority (Hou et al., 2023). This model recognizes the need to include sustainable practices in businesses' central values and operations, facilitating a more ecologically responsible and conscious approach to leadership. Those who adopt the Environmentally Specific Servant Leadership (ESSL) approach give the welfare of the surroundings and society great relevance (Murtaza et al., 2024). Their decisions should appropriately strike a mix between financial benefits and the overall welfare of society (Liden et al., 2014). The Environmentally specific Servant Leadership (ESSL) paradigm is essential since it will influence business operations and behavior. Encouragement of a culture that gives environmental sustainability top priority helps ESSL influence organizational policies. Studies of Environmentally specific Servant Leadership have revealed that applying this practice has helped businesses. These reflect improved corporate citizenship policies embraced, more staff involvement, and increased production (Luu, 2022). This paper proposes that the acceptance of Environmentally specific Servant Leadership (ESSL) greatly helps Green Knowledge Sharing (GKS) spread and interaction inside businesses to be facilitated (Muisyo et al., 2021). Applying the environmentally specific servant leadership (ESSL) paradigm helps create an environment for spreading green knowledge (Pham et al., 2019). This is essential since it enables a business to acquire the necessary knowledge and skills to maintain its green policies (Ahmed et al., 2021).

### ***Green Knowledge Sharing (GKS)***

Green knowledge sharing involves disseminating best practices for sustainability within the organization. This can enhance the sector's ability to innovate and adapt to environmental challenges, contributing to competitive advantage (Sarkis et al., 2019). Green Knowledge Sharing (GKS) is essential to the hotel service industry's attempts to be more environmentally friendly and gain a competitive edge (Abbas & Khan, 2023; Lin & Chen, 2017; Rehan et al., 2024). Businesses are becoming more eco-friendly (UNWTO, 2018), and sharing green information helps people develop new services and use resources more efficiently, which is good for the environment. Lin & Chen (2017) say that sharing green information is crucial for businesses to improve their green dynamic skills and develop new green services. These things are necessary to get a competitive edge in the green industry (Raza & Khan, 2022). This paper gives a conceptual model that says ESSL makes Green Knowledge sharing (GKS) possible. GKS is a crucial part of improving green skills and encouraging service innovation. Leadership

and sharing information work to help businesses deal with environmental problems intelligently. This promotes long-lasting innovation and gives them a long-term edge in the hotel business. To make it easier for organizations to change their ways in ways that are better for the environment, it is essential to encourage a culture that values sharing information that is good for the planet.

### ***Green Capacities***

Green Capacities are the capacity of a company to successfully implement sustainable practices meant to lower the negative environmental consequences (Khan et al., 2023). Building green capacities involves training staff in sustainable practices, such as energy conservation and waste management. This improves operational efficiency and aligns with global environmental responsibility standards (OECD, 2020; UN Environment Programme, 2019; Chen & Chang, 2013). These capacities are essential for the progress of Green Service Innovation since they define the basic framework upon which new, ecologically sustainable services can be developed or current ones can be improved (Qu et al., 2022). Yousaf (2021) claims that companies with strong green capabilities are more likely to innovate their products and services. This helps them to make sure these developments satisfy environmental criteria and can satisfy the growing needs of consumers who care about the surroundings. This model allows one to understand the significant part Green Capacities perform as a mediator between Green Knowledge Sharing (GKS) and Green Service Innovation. These Green Capacities are necessary for transforming collective knowledge into practical ideas (Aboelmaged & Hashem, 2019; Qu et al., 2022).

Furthermore, it is proposed that Green Capacities directly influence GCA. Companies that invest in the growth of strong Green Capacities have been shown to have better environmental performance. This can result in acquiring a continuous competitive advantage inside the market.

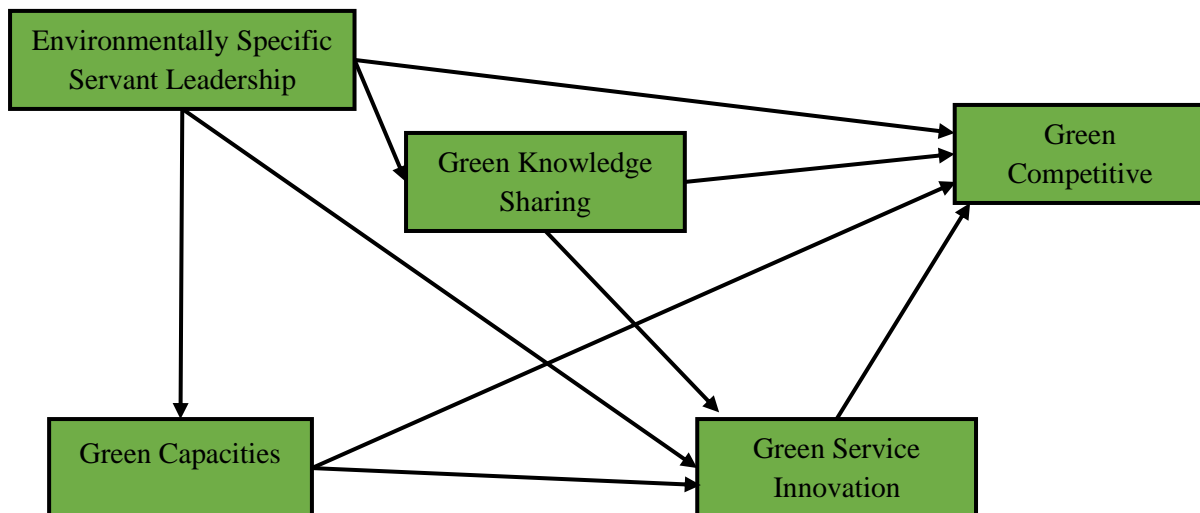
### ***Green Service Innovation***

Green service innovation in hospitality includes developing eco-friendly services and products (UNWTO, 2018), such as offering locally sourced meals or eco-certified accommodation. This can attract eco-conscious customers and enhance the brand's market position (Horng et al., 2022). Green service innovation warrants developing or improving two-sided services to reduce the environmental impact and increase consumer satisfaction (Lin & Chen, 2017). This approach recognizes the need to manage environmental problems and meet evolving consumer expectations and needs. By including ecological elements in service design and execution,

companies can support sustainability projects and concurrently value their customers (Qu et al., 2022). Applying Green Service Innovation is crucial in the hotel sector if one wants a Green Competitive Advantage (GCA). Wu and Gao (2022) assert that businesses that can effectively change their products to meet environmental criteria have more opportunities to attract customers who prioritize ecological conscience. This helps them differentiate themselves from their competitors in the market. The suggested paradigm holds that Green Service Innovation is the last mediator linking Green Capacities with GCA (Tu & Wu, 2021). Companies have an opportunity to carve out a unique position in the market through Green Service Innovation so they can separate themselves from competitors and guarantee their long-term survival (Lin & Chen, 2017; Luu, 2022; Qu et al., 2022). As mentioned above, the invention satisfies the immediate needs of consumers who prioritize environmental consciousness. It helps the business to be a leader in accepting sustainable practices, thus improving its competitive edge.

### ***Green Competitive Advantage***

Achieving a green competitive advantage means leveraging sustainable practices to differentiate between competitors. This could involve certifications like LEED<sup>7</sup> (Leadership in Energy and Environmental Design) or partnerships with environmental organizations to signal a commitment to sustainability (Porter & Kramer, 2011).



***Figure 1. Conceptual Framework: ESSL Instigated Green Competitive Advantage***

<sup>7</sup> LEED, which stands for Leadership in Energy and Environmental Design, is a globally recognized certification system for green buildings. Developed by the U.S. Green Building Council (USGBC), LEED provides a framework for building owners and operators to design, construct, operate, and maintain buildings that are environmentally responsible, resource-efficient, and sustainable. LEED is considered one of the most prestigious and widely used green building rating systems in the world, promoting sustainable construction and encouraging environmentally responsible practices in the building industry (U.S. Green Building Council, 2023).



***Proposed Research Framework: ESSL Instigated Green Competitive Advantage***

Based on the arguments developed above on the contemporary problem of sustainable leadership and environmentally friendly practices at the workplace particularly in the hotel industry, especially in a developing country like Pakistan where most of the pressing issues still lack discussion (Amjad et al., 2021; Liu et al., 2023; Shahzad et al., 2020). The current study proposes a conceptual framework to address the issue of sustainable leadership to mitigate the effects of climate change.

*Proposition 1:* Environmentally specific servant leadership (ESSL) positively influences green knowledge sharing (GKS). This proposition posits that incorporating green practices into the core business strategy enhances long-term sustainability and competitive advantage (Hart, 1997). In the context of SDGs, it aligns with Goal 12 (Responsible Consumption and Production) and Goal 13 (Climate Action). ESG criteria are directly impacted as green practices contribute to environmental stewardship and responsible business operations.

*Proposition 2:* Green knowledge sharing (GKS) positively impacts Green Capacities. This proposition suggests that robust ESG practices can enhance a firm's competitive advantage by differentiating it in the marketplace (Eccles, Ioannou, & Serafeim, 2014). It relates to SDG Goals 8 (Decent Work and Economic Growth) and 9 (Industry, Innovation, and Infrastructure), emphasizing the role of sustainable practices in driving economic growth and innovation.

*Proposition 3:* Green knowledge sharing (GKS) positively influences Green Service Innovation. This proposition highlights the importance of leadership in driving the adoption of green practices (Avolio, & Bass, 2004). It connects with SDG Goal 16 (Peace, Justice, and Strong Institutions) by advocating for leadership that fosters sustainability and ethical practices.

*Proposition 4:* Green Capacities positively affect Green Service Innovation. This proposition examines how green practices influence customer loyalty and satisfaction (Yuksel & Yuksel, 2007), linking to SDG Goal 12 (Responsible Consumption and Production). ESG considerations are reflected in consumer preferences for sustainable and socially responsible businesses.

*Proposition 5:* Green Capacities positively influence Green Competitive Advantage (GCA). This proposition suggests that green investments lead to improved financial performance, relevant to SDG Goal 8 (Decent Work and Economic Growth). It highlights the economic benefits of investing in sustainable practices.

*Proposition 6:* Green Service Innovation positively influences Green Competitive Advantage (GCA). This proposition addresses the obstacles faced by businesses in adopting green practices (Bansal & Roth, 2000), connecting to SDG Goal 17 (Partnerships for the Goals). Understanding these barriers helps in developing targeted solutions to overcome them.

The sequential order of mediation is important because it emphasizes that the full impact of ESSL on GCA depends on the sequential occurrence of GKS, Green Capacities, and Green Service Innovation. Given the interdependence of each step in this process, it is reasonable to conclude that their collective implementation improves the company's ability to maintain a competitive advantage.

*Proposition 7:* Green Service Innovation mediates the relationship between Green Capacities and Green Competitive Advantage (GCA). This proposition focuses on identifying areas for future research to advance green practices in the hospitality industry (Buhalis & Law, 2008). It aligns with SDG Goal 4 (Quality Education) by fostering knowledge development and innovation.

*Proposition 8:* The impact of ESSL (Northouse, 2018) on GCA is sequentially mediated by GKS, Green Capacities, and Green Service Innovation. This proposition focuses on integrating green practices with leadership models to enhance sustainability, relating to SDG Goal 16 (Peace, Justice, and Strong Institutions) and Goal 12 (Responsible Consumption and Production).

### ***Global Statistics and Impact***

#### ***Green Knowledge Sharing***

A study by Gholami et al. (2013) found that knowledge sharing in the context of environmental practices can increase an organization's innovation capabilities by up to 20%. This is because well-informed employees are more likely to engage in creative problem-solving for sustainability challenges, mimicking creative leadership. Tangible effects include improved operational efficiencies and reduced environmental footprints. For example, organizations that actively share green knowledge can reduce energy consumption by 10-15% on average (Chen et al., 2013). Intangible effects include enhanced employee morale and engagement, as staff feel more involved and aligned with the company's environmental mission (Sarkis et al., 2019).

#### ***Green Capacities***

According to a report by the International Labour Organization (ILO, 2019), companies that invest in green skills training see a 17% increase in productivity. This is because employees

are better equipped to use eco-efficient technologies and processes. Tangible effects include direct cost savings from improved resource management and reductions in waste and emissions (OECD, 2020). Intangible effects include enhanced corporate reputation and increased attractiveness to talent who value sustainability (Horng et al., 2022).

### ***Green Service Innovation***

Globally, companies that focus on green innovation have been shown to grow their market share by an average of 15% more than those that do not (Porter & Kramer, 2011). This is particularly significant in consumer-facing industries like hospitality, where eco-conscious customers are willing to pay a premium for green services. Tangible effects include increased revenue from new green products and services and reduced costs through efficiency improvements. Intangible effects include enhanced customer loyalty and brand differentiation, as organizations are seen as leaders in sustainability (Chen & Chang, 2013).

### ***Green Competitive Advantage***

Research indicates that companies with a green competitive advantage report profit margins 10-20% higher than their peers (Schaltegger et al., 2016). This is due to lower operational costs, higher customer retention rates, and the ability to command premium pricing. Tangible effects include financial performance improvements, such as increased sales and reduced regulatory compliance costs. Intangible effects include stronger stakeholder relationships and resilience to environmental and market changes (Dangelico & Pujari, 2010).

### ***Salient Policy Tactical Benefits***

Implementing ESG practices and aligning with SDGs offers several tactical benefits, including enhanced reputation, compliance with regulatory requirements, reduced operational costs through efficiency gains, and the potential to attract a growing segment of environmentally conscious consumers. These strategies not only contribute to sustainability but also drive long-term profitability and resilience in the hospitality sector (UNWTO, 2019).

## **CONCLUSION**

### ***ESSL Instigated Green Competitive Advantage***

Environmentally Specific Servant Leadership plays a critical role in enhancing an organization's green practices, leading to both tangible benefits, such as cost savings and increased revenue, and intangible benefits, such as improved reputation and employee satisfaction. By fostering green knowledge sharing, building green capacities, driving green service innovation, and securing a green competitive advantage, ESSL enables organizations

to achieve sustainable success in a competitive global market, in compliance with ESG and SDGs.

Utilizing Green Knowledge Sharing (GKS), Green Capacities, and Green Service Innovation, the present conceptual paper introduces a sequential stakeholder mediation framework establishing a link between Environmentally Specific Servant Leadership (ESSL) and Green Competitive Advantage (GCA), in compliance with ESG and multiple SDGs. As mentioned earlier, the model emphasizes the great need for environmentally specific servant leadership (ESSL) to encourage sustainable practices, which in turn help acquire a competitive edge within the Pakistani hotel sector. Employing a thorough investigation of the routes via which ESSL influences GKS (Green Knowledge Sharing), Green Capacities, and Green Service Innovation), this paper makes a significant contribution to the body of knowledge already in use in sustainable leadership and organizational competitiveness, by postulating the ESG and SDG Stakeholder Compliance Framework. Clarifying these channels helps us better grasp the intricate interactions between sustainable leadership and several organizational results concerning environmental sustainability, within the confines of the Pakistani hospitality sector context. This study enhances the body of knowledge already in publication on sustainable leadership and how it affects organizational competitiveness, in retrospect of ESGs and multiple SDGs. For a broad spectrum of stakeholders, especially those with business prospects in the hotel sector who want to progress and capitalize on their sustainability initiatives and projects, the suggested model offers an ESG and SDG-compliant theoretical framework, in retrospect of multiple empirical studies with pragmatic advice and policy recommendations.

## **POLICY RECOMMENDATIONS**

### ***For Stakeholders in the Pakistani Hospitality Industry***

To enhance the integration of Environmentally Specific Servant Leadership (ESSL) and green practices within the Pakistani hospitality sector, which aligns with the Sustainable Development Goals (SDGs) and Environmental, Social, and Governance (ESG) criteria, the following discrete and viable policy recommendations are proposed for *i. regulatory agencies, ii. Parliament to enact laws, iii. the need to allocate funds and iv. to nurture a culture of green practices.*

### ***Regulations***

Implement sector-specific environmental regulations that mandate sustainability benchmarks for hospitality businesses, such as energy, waste management, and water conservation

standards. Establishing clear regulatory frameworks can drive compliance and foster an industry-wide shift towards greener practices, directly contributing to SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action).

Regulatory measures should include mandatory reporting of environmental performance and incentives for compliance, such as tax reductions or subsidies (UNEP, 2020). This can help hospitality businesses lower their environmental footprints and achieve Green Competitive Advantage (GCA). The implementation strategy should be to develop regulations in consultation with industry stakeholders, environmental experts, and regulatory bodies to ensure feasibility and industry buy-in. Further, establish monitoring and enforcement mechanisms to ensure compliance, supported by penalties for non-compliance.

### ***Laws***

Enact and enforce environmental laws that promote Green Knowledge Sharing and Green Capacities within the hospitality sector. Laws should encourage knowledge transfer through mandatory green training programs and certifications for hospitality staff, aligning with SDG 4 (Quality Education) and SDG 8 (Decent Work and Economic Growth). In this context, SDG 4 is often ignored, although it may hold a significant stake in altering the status quo with quality education. Such laws ensure that all employees possess the skills and knowledge necessary to contribute to the company's green initiatives, thus enhancing their overall service innovation capabilities (Gholami et al., 2013).

The implementation strategy should seek to develop legal frameworks that support green certifications and continuous learning for employees. Further, collaboration with educational institutions and professional bodies to develop standardized training modules and certifications (OECD, 2020).

### ***Funding***

Establish green funds and financial incentives for the hospitality sector to invest in sustainable technologies and practices. Funding mechanisms such as low-interest loans, grants, or subsidies for investments in green technologies (e.g., energy-efficient appliances, waste reduction systems) can significantly lower the financial barriers to sustainability (ILO, 2019). This approach supports SDG 9 (Industry, Innovation, and Infrastructure) and SDG 11 (Sustainable Cities and Communities). Financial incentives encourage the adoption of Green Service Innovation, helping businesses to achieve differentiation in a competitive market.

The implementation strategy should seek to create partnerships between government bodies, international organizations, and private investors to establish a green fund dedicated to the hospitality sector. Further, providing financial support conditioned to measurable sustainability outcomes ensures that funds are used effectively to achieve environmental goals.

### ***Nurturing Green Cultural Practices***

Foster a green organizational culture through the promotion of Environmentally Specific Servant Leadership (ESSL) across all levels of hospitality businesses in the widely dispersed sector in Pakistan. ESSL promotes a leadership style that prioritizes environmental stewardship, influencing the entire organization's approach to sustainability (Horng et al., 2022). This aligns with SDG 16 (Peace, Justice, and Strong Institutions) by promoting inclusive and sustainable leadership practices. Nurturing a green culture can result in both tangible benefits, such as reduced operational costs, and intangible benefits, including enhanced employee satisfaction and loyalty, thereby strengthening Green Competitive Advantage.

The implementation strategy should seek to develop programs that train leaders on ESSL principles, emphasizing the link between servant leadership and environmental performance. Further, encourage leaders to model sustainable behaviors and engage employees in green initiatives, creating a sense of shared responsibility and commitment to environmental goals, especially since creative employees tend to mimic creative leadership.

## **PROPOSITION BASED POLICY RECOMMENDATIONS**

### ***Proposition 1: Integration of Green Practices in Strategic Planning***

Encourage hospitality businesses to adopt strategic frameworks that integrate green practices. This could involve government incentives for businesses that develop and implement sustainable strategic plans (Hart, 1997). Additionally, provides grants for research and development of green technologies tailored to the hospitality industry.

### ***Proposition 2: Enhancement of Competitive Advantage through ESG Integration***

Develop a national ESG framework for the hospitality sector, encouraging transparency and reporting. Offer recognition and certification programs for businesses excelling in ESG practices (Eccles, Ioannou, & Serafeim, 2014). This will foster a competitive market for sustainable businesses.

### ***Proposition 3: Role of Environmental Leadership in Promoting Green Practices***

Introduce leadership development programs specifically for environmental and sustainability roles. Create awards for exemplary environmental leadership in the hospitality sector to motivate and recognize leaders who drive green initiatives (Avolio, & Bass, 2004).

***Proposition 4: Impact of Green Practices on Customer Satisfaction and Loyalty***

Encourage businesses to develop and communicate their green credentials to customers. Implement customer feedback systems to assess the impact of green practices on satisfaction and loyalty and use these insights to refine green strategies (Yuksel & Yuksel, 2007).

***Proposition 5: Financial Performance Correlation with Green Investments***

Provide financial incentives for green investments in the hospitality sector, such as tax credits or low-interest loans. Develop case studies highlighting successful green investments to demonstrate their financial viability.

***Proposition 6: Identification of Barriers to Green Practice Implementation***

Conduct an industry-wide survey to identify common barriers to green practice implementation. Based on the findings, create targeted support programs, including technical assistance, financial support, and regulatory adjustments to address these challenges (Bansal & Roth, 2000). In this regard, SDG 4 – Quality Education may prove instrumental.

***Proposition 7: Future Research Directions for Green Hospitality***

Establish research grants and funding opportunities for studies focusing on green practices in the hospitality industry. Promote collaborations between academic institutions and industry practitioners to drive research and application of innovative green solutions (Buhalis & Law, 2008).

***Proposition 8: Integration of Green Practices with Sustainable Leadership Models***

Develop and promote leadership training programs that focus on integrating sustainable leadership practices (Northouse, 2018) with green initiatives. Encourage hospitality businesses to adopt and adapt sustainable leadership models that emphasize the importance of green practices.

## **SUMMARY AND RECOMMENDATIONS**

These policy recommendations provide a structured approach to enhancing the Pakistani hospitality sector's commitment to sustainability. By aligning with global standards and SDGs and fostering an environment conducive to ESSL and green practices, stakeholders can achieve significant competitive advantages while contributing to broader environmental and social

goals. These recommendations also underscore the need for collaboration among government, industry, and international bodies to create an enabling environment for sustainable development in the hospitality sector.

### **FUTURE RESEARCH DIRECTIONS**

In this theoretical framework, we aim to investigate the possible mediating role of Green Knowledge Sharing (GKS), Green Capacities, and Green Service Innovation in the link between Environmentally Specific Servant Leadership (ESSL) and Green Competitive Advantage (GCA). The model mentioned above can produce productive empirical investigations within the designated field of research. The analysis of the suggested model should be carried out using empirical approaches and exact quantitative techniques such as structural equation modeling (SEM). This method is required to confirm the hypothesized links and determine the degree and direction of the under-examination influences. Future research should consider possible moderating factors that could affect the found correlations. Green capacities are affected by ESSL, which depends only partly on industry standards, regulatory framework (UN Environment Programme, 2019), and current organizational culture. The degree of sustainability shown by the company and the current industry environmental policies determine whether Green Capacities promoted by GKS (Green Knowledge Sharing) will be successful.

Having captured and examined characters' dynamic interactions as they change over time, longitudinal research is advised. Studying the dynamic interaction between environmentally specific servant leadership (ESSL) and the creation of green spaces and service innovations inside companies will help clarify the long-lasting sustainability of the competitive advantage attained by environmentally friendly policies. Case studies and interviews, among other qualitative research techniques, can offer insightful analysis of how ESSL is applied and how it affects organizational outcomes. These techniques allow researchers to investigate how ESSL affects organizational outcomes and probe the specifics and nuances of how companies use it inside. Through exhaustive case study research, these approaches would help enable context-specific analysis within the ESSL framework. These approaches would probably produce better quantitative results and a better awareness of the basic mechanisms under operation.

Future research using this approach becomes essential as awareness of sustainability rises inside companies, and it is necessary to provide insightful analysis that will help guide



leadership practices. These studies will help enhance environmental performance and allow companies to acquire a competitive advantage in a market progressively driven by green projects, in compliance with ESG and SDGs.

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