

# Why Should We Care?

INTEGRATION OF SUSTAINABILITY STRATEGIES WITHIN
ORGANISATIONAL CULTURE THROUGH CHANGE MANAGEMENT

Bachelor's Thesis in Corporate Sustainability
The School of Business, Economics and Law at the
University of Gothenburg SS 2018

## **Supervisor:**

Gabriela Schaad

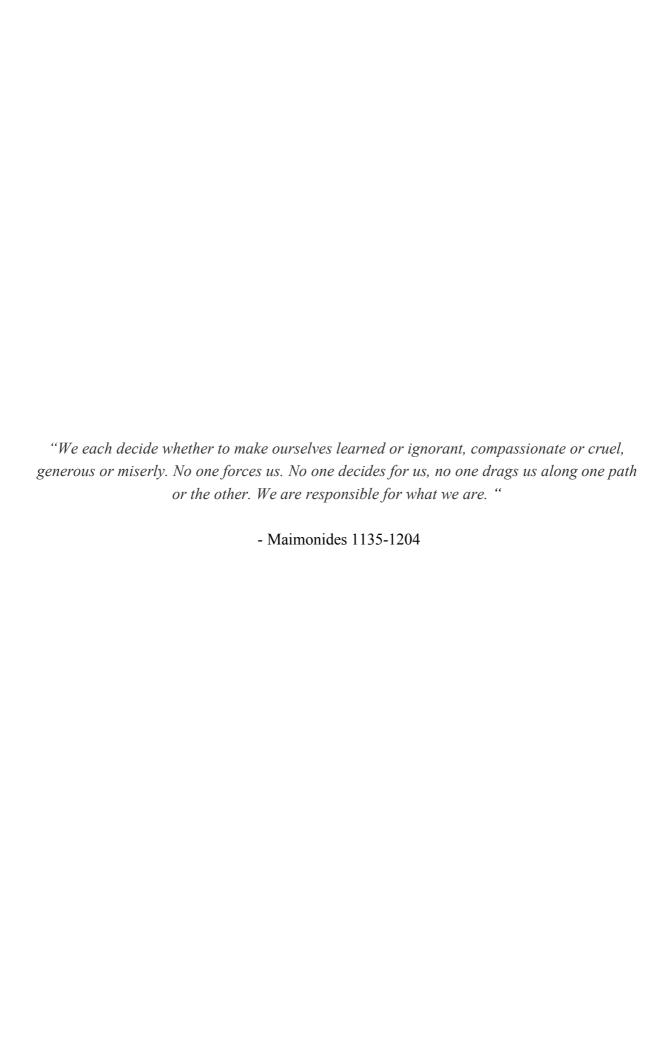
Authors Year of Birth
Charlotte Wangson 910528
Nathalie Gunnarsson 930405

# Preface

We would like to commence by expressing our gratitude to all participants who have contributed to this thesis. Firstly, the respondents Eva Sandholm, Annika Larsson, Ulrika Gielow, and Lars Utter at Quality Panorama Hotel who have supplied us with substantial material which enabled this study. Secondly, our supervisor Gabriela Schaad who has guided us through our writing process, given us constructive criticism and provided perspectives on various issues. Thirdly, our friends and families who have supported us during this period.

Thank You!

Charlotte & Nathalie



# **Abstract**

The relation between implementing sustainability strategies and corporate culture is often underrated. Even though corporations work with sustainability, many companies fail to incorporate sustainability within the corporate culture. Based on the theoretical studies the common denominator of sustainability work in corporations is that it requires change within the entire organisation. This thesis aims to describe the importance of integrating sustainability within organisational culture in order to succeed with the sustainability work. The thesis' purpose aims to bring a greater understanding of how deeply a corporate sustainability strategy can become integrated into the organisational culture, without the support of a qualified full-time sustainability manager. Also, the purpose aims to examine if the integration of the sustainability strategies has led to the required internal organisational change. The research questions which this thesis aims to answer are: How deeply has the corporate sustainability strategy been integrated into the organisational culture at Quality Panorama Hotel? and; How has the change of implementing sustainability strategies within the organisational culture at Quality Panorama progressed? and are answered in the last chapter. The methodology of this study follows a qualitative method and is based on a case study at Quality Panorama Hotel. The results illustrate the relation between organisational culture and companies who have successfully integrated sustainability as part of their corporate core. Additionally, this thesis points the direction of the need for further research to link sustainability management and the role of corporate culture to succeed in the change process required.

Keywords: Organisational culture, sustainability strategies, change management

# **Explanations of Key Concepts**

## Organisational Culture

Over the last decade, the concept of corporate or organisational culture, has evolved. It is defined in this thesis as a shared perception of the values within an organisation, that tends to persist over time, even when group membership changes. The culture also represents behaviour patterns that new employees are encouraged to follow.

## Sustainability Strategies

Companies working for a more sustainable future adapt sustainability strategies as an attempt to include sustainability in their operations.

## Change Management

In order to change and lead an entire organisation in the same direction, management systems and tools are used, which is defined as change management.

# Table of Contents

Chapter 1. Introduction	1
1.1 Background	1
1.2 Problem Discussion	2
1.3 Purpose	4
1.4 Research Questions	4
Chapter 2. Theoretical Framework	5
2.1 Literature Review	5
2.2 Organisational Culture and Sustainability Strategies	6
2.3 Change Management	10
2.4 Analytical Framework	12
Chapter 3. Method	14
3.1 Choice of Method	14
3.2 Literature Overview	15
3.3 Interview Study Setup	15
3.3.1 Interviews and Structure	16
3.3.2 Description of the Interview Objects.	16
3.4 Data Analysis	17
3.5 Ethical Consideration	18
3.6 Validity and Reliability	18
Chapter 4. Empirical Data	20
4.1 Nordic Choice Hotels	20
4.2 Sustainability Strategy	21
4.2.1 Sweet Dreams Stay	23
4.2.3 Sustainable food	23
4.3 Organisational Culture	23
4.3.1 Culture Ambassador	24
4.3.2 How Are the Values Expressed Through artefacts?	24
4.3.3 Values & Basic Assumptions	25
4.4 Change Towards Sustainability	26
4.4.1 Sustainability Work	26

4.4.3 Sustainability Coach	27				
4.4.4 Sustainability Role	27				
4.4.5 Recruitment	28				
4.4.6 Celebrating Achievements	28				
4.4.7 Leadership	28				
Chapter 5. Analysis	30				
5.1 Organisational Culture and Sustainability Strategies	30				
5.2 Change Towards Sustainability	32				
Chapter 6. Conclusion	34				
6.1 Conclusion	34				
6.1.1 Organisational Culture and Sustainability Strategies	34				
6.1.2 Change Towards Sustainability	35				
6.2 Contribution					
6.2.1 Further Research	36				
6.2.2 Limitations	36				
References					
Annex 1 Interview Questions					
Annex 2 The Checklist					
Annex 3 Business Information About the Nordic Choice Brands					
List of figures					
Figure 1 The Model of Schein (2004)	7				
Figure 2 Corporate Sustainability Strategies by Baumgartner (2009)	8				
Figure 3 Institutional Logic by Moss Kanter (2011)	10				
Figure 4 Analytical Framework Tool	13				

26

4.4.2 Sustainability Coordinator

# Chapter 1. Introduction

This chapter includes an introduction to why organisations work with sustainability and how they may do so. This is further discussed in the problem analysis, which is based on earlier studies within the field of sustainability strategies. The last section of this chapter contains the purpose, the research question and also the delimitations of the thesis.

# 1.1 Background

Corporations have been discussed as having a responsibility to society in working towards a sustainable future, where responsibility is defined as eliminating business negative environmental impacts (Baumgartner, 2009). Such a narrow definition of responsibility does not generate long-term change, it enables companies to grab the 'low hanging fruits' in the starting phase of sustainability work, but hardly encourages companies to take further actions towards change. In order to integrate sustainability aspects on a long-term perspective of daily business, change within the organisation and its' culture is required (ibid).

Some corporations display that they are sustainable by generating annual sustainability reports, but this work can be superficial if the corporations in practice do not actively strive for a more sustainable organisation (Baumgartner, 2009). When discussing corporate responsibility and sustainability, the main focus is often on how organisations report showing their compliance with both regulations and customer demands. The most common approach to show organisations compliance and accountability is to implement an environmental management system certification such as the ISO 14001 standard (Företagarna, 2015). Even if it is a management tool for organisations to work with sustainability, it has been criticised to not include the integration of sustainability within the organisation (Boiral, 2007). The system is rather a way for organisations to externally legitimise their efforts to become more sustainable and offers little managerial alternatives of how to integrate these efforts as a part of the daily business activities (ibid). Companies are pressured by external forces through regulation and law to act according to certain sustainability standards (Naturvårdsverket, 2018). Since sustainability is forced upon the companies and if neglected, the company will face various fines and even legal charges (ibid), sustainability work can be perceived as something tedious and stale. Instead, the work towards a more sustainable future should be regarded as a part of a bigger picture where companies make sustainability a part of their core value and let it impact the entire organisational culture (Baumgartner, 2009).

Corporations are a vital part of society where most employees spend 40 hours a week. It is therefore inevitable for the workers to be affected by the corporation and its values (Schein,

2004). The corporations' responsibility should include human well-being and societal values by actively working with sustainability within the corporate everyday practices (Moss Kanter, 2011). Companies that view organisational processes as a way of maximising economic value, should rather create frameworks that use societal value and human values as decision-making criteria. Corporations' purpose to meet stakeholder needs should not only focus on financial rewards. Stakeholder needs can be met in several ways, which can provide resources for improvements, innovation but also return on investment (ibid).

## 1.2 Problem Discussion

Many companies face the challenge of integrating sustainability within the business practice. The concept of sustainability is fairly new in business strategy literature (Baumgartner, 2009). Also, Baumgartner (2009) stress that the relationship between organisational culture and sustainability work is often underrated. Consequently, organisations find it demanding to integrate sustainability within the everyday business (ibid). However, to integrate the sustainability strategy within the organisation it has to be a part of the corporate core and reflected in the organisational culture. In order to promote sustainable practices, it is necessary for the corporation to have a clear sustainability strategy that permeates the entire organisation (Epstein & Rejc Buhovac, 2014). However, integrating sustainability strategies into the organisational culture requires change throughout the entire organisation (Baumgartner, 2009; Engert & Baumgartner, 2016; Epstein & Rejc Buhovac, 2014). Also, the change process required takes time and need to be integrated within the core of the organisation and its' culture to maintain in the long term (Kotter, 2007; Epstein & Rejc Buhovac, 2014). Meaning that the focus needs to shift from external to the internal centre of the organisation, to succeed with the change necessary.

To measure how or if, a strategy exists within an organisational culture Schein (2004), presents organisational culture through three different levels; artefacts, values, and basic assumption. The model can be used to analyse how deeply e.g. a strategy is within the organisation. If the sustainability strategy is to be found at the deepest level; basic assumption, Baumgartner (2009), identifies that sustainability is a part of the organisations' core and its organisational culture. Hence, if the sustainability strategy is to be found within this level the organisation may have succeeded with the required change. Additionally, to implement sustainability strategies within organisations, Engert and Baumgartner (2016) identify two key success factors; organisational culture plus to have motivated and qualified employees. Thus, integrating sustainability within the organisational culture requires relevant knowledge and qualified employees. To integrate sustainability within the corporations' core Engert and Baumgartner (2016), motivates that qualified employees possess the signification of sustainability and are consequently, more likely to succeed in the implementation process. Therefore, it could arguably be a necessity for organisations who wish to succeed in

integrating sustainability, to prioritise qualified employees to lead the integration of sustainability, for it to reach the deepest level of organisational culture.

In contradiction to the previous theoretical discussion, some corporations delegate the responsibility of incorporating sustainability to employees who have no prior education within the field. Also, when companies invest in sustainability certifications, such as the ISO 14001 standard, it is common that their efforts only regard showing compliance externally with the system (Borial, 2007). Consequently, the demanded internal change process within the organisational culture does not necessarily happen. Companies may choose to invest in an environmental management system but find it less important to invest in a qualified employee to manage the sustainability work. Theoretically, such combination does not deeply integrate the sustainability strategy within the organisational culture, nor generate enduring results (Kotter, 2007; Baumgartner, 2009; Engert & Baumgartner, 2016).

Nordic Choice, NC, is a large Scandinavian Hotel Group, containing 186 hotels in Norway, Sweden, Denmark, Latvia, and Lithuania, is certified with the ISO 14001 standard (NC, 2018a). However, only one of 186 hotels have a full-time sustainability manager (NC, 2016). To comply with the requirements of the ISO 14001 standard, as part of their sustainability strategy, NC delegates the authority to each hotel to select an employee responsible for that hotel's sustainability work (NC, 2016). Hence, the hotels do not recruit new employees to do the task but delegate it to an existing employee who is not expected to have qualifications in the field of sustainability (ibid). Furthermore, the NC Group find strong organisational culture essential for their business, which they have been rewarded for by the Human Growth Initiative (NC, 2017). Additionally, one of the NC hotel brands, the Quality Hotel brand, received an award for "Best Cultural Transformation of the Year" by the Hospitality Sales and Marketing Association International Europe (HSMAI-E, 2018). Although the NC Group and their Quality Hotel brand have been acknowledged to have a deep organisational culture, it does not indicate whether their sustainability strategy has been integrated within the culture or if so, to what level. Neither do their acknowledgements conclude whether their approach toward integrating sustainability, without the support of a qualified full-time sustainability manager, has resulted in the required internal organisational change.

Baumgartner (2009) identifies four different sustainability strategies and connects these with how deeply they are within the organisational culture. These strategies laid the foundation for an interviewed based case study within a mining company to determine how deeply the sustainability strategy was a part of the organisational culture. The findings of the study showed that the employees' expressed uncertainty and tension regarding sustainability hence, the sustainability strategy had not been deeply integrated into the organisational culture (Baumgartner, 2009). However, it is questionable if the mining industry itself can be sustainable. Therefore arguably, sustainability might be easier to integrate within an industry with less environmental degradation than the mining industry, such as the service industry.

Thereby, companies within the service industry may easier permeate all levels of the organisational culture with the sustainability strategy and therefore, succeed with the internal organisational change.

Based on the theoretical discussion, all articles mention the significance of integrating sustainability strategies into the organisational core, which requires an internal change of the organisation. However, neither of the articles studies how to integrate the strategies within the organisational culture. Nor do they examine the change process of how to integrate sustainability strategies within the organisational culture. Although, they do have one common denominator, which is that integrating sustainability requires change throughout the entire organisation. The NC Group operates within the service industry and has as mentioned been acknowledged for their organisational culture. Considering that the Quality Hotel brand has excelled in organisational culture change, but also that one of their hotels, Quality Panorama, has delegated the responsibility for their sustainability work to employees without qualifications within the field, make the hotel a suitable case for this thesis. Such combination of if unqualified employees can lead the required change, to deeply infuse all levels of organisational culture with the sustainability strategy, has not yet been studied

To shed light on the absence of research within this field, this thesis aims to explore the relation of integrating sustainability strategies and the change process required, despite that the examined hotel does not have a qualified full-time employee responsible for the sustainability work. Additionally, this thesis proposes to contribute to further knowledge of how organisations, within the service industry, can work through change management and their organisational culture to institutionalise sustainability.

# 1.3 Purpose

The thesis' purpose aims to bring a greater understanding of how deeply a corporate sustainability strategy can become integrated into the organisational culture, without the support of a qualified full-time sustainability manager. Also, the purpose aims to examine if the integration of the sustainability strategies has led to the required internal organisational change.

## 1.4 Research Questions

RQ1. How deeply has the corporate sustainability strategy been integrated into the organisational culture at Quality Panorama Hotel?

RQ2. How has the change of implementing sustainability strategies within the organisational culture at Quality Panorama progressed?

## 1.5 Delimitations

This thesis will only examine how the integration process of sustainability strategies have influenced the organisational culture at a company within the service industry.

In order to answer the research questions, this thesis will only focus on the Nordic Choice Hotel, Quality Panorama. The hotel group has 186 hotels and even if many issues are controlled centrally, each hotel chose how to integrate the sustainability strategies themselves. Therefore, they might differ from each other, which is why the delimitation is to only observe the integration process within the mentioned hotel.

# Chapter 2. Theoretical Framework

This chapter presents previous research within the field of organisational culture, change management and sustainability management to illustrate the gap between the research. Further, the theories by which the empirical data will be analysed through are presented.

## 2.1 Literature Review

Epstein and Rejc Buhovac (2014) argue that the challenges corporations meet trying to implement sustainability are significantly different from implementing other strategies within a firm. Sustainability measurements are, unlike other corporate goals, often uncertain and require a long-term perspective (Epstein & Rejc Buhovac, 2014). Therefore, a standard implementation approach fails to integrate sustainability. One of the biggest challenges in implementing sustainability successfully is to incorporate into existing organisational structures (ibid).

Engert and Baumgartner (2016) discuss the gap between the formulation and the implementation of sustainability strategies. Moreover, the relation between corporate culture and corporate sustainability is claimed to be underestimated (Baumgartner, 2009). Baumgartner (2009) also argues that change is required within the organisation to integrate sustainability in daily business activities. He further reasons that sustainability needs to impact the entire organisational culture (ibid).

Schein (2004) defines corporate culture as various influencing factors of how to perceive organisation values that tend to endure change in group membership. He specifies three levels on which organisation culture can be observed. The levels of culture, which is known as the Schein Model, contain artefacts, values and basic assumptions which are used as tools by managers to understand the dynamics of organisations and cultural change (Schein, 2004). These are further articulated by Kunda (2006) and his book "Engineering Culture" which describes the relation between culture and organisation. He illustrates how the everyday

interactions and rituals of culture are constructed and claim that in order to create strong corporate cultures one have to shape norms (Kunda, 2006). His main findings are that besides shaping norms the organisations also have to install beliefs, inculcate values and generate emotions. Furthermore, strong corporate culture has to have intense emotional attachment and articulate the company values (Ibid)

Baumgartner (2009) highlights the preconditions of how to integrate the corporate sustainability strategy but does not include the change process of organisational culture. Engert and Baumgartner (2016) examine four organisational success factors which are necessary in order to integrate corporate sustainability strategies. However, neither of the articles (Baumgartner, 2009; Engert & Baumgartner, 2016) mention the process of how to deeply integrate the sustainability strategy within the organisational culture. Moreover, Epstein and Rejc Buhovac (2014) emphasise that empirical studies have found that companies that implement sustainability in the corporate culture and business practices are more successful in communicating the sustainability practices to outside stakeholders. Therefore, engaging employees in the sustainability work through real projects that are developed by the employees is important in the early stages of change (Epstein & Rejc Buhovac, 2014).

Kotter (2007) studied why organisational change fails and devised a model for organisations to undergo in order for the transformation to succeed. He describes eight phases of how to permeate the entire organisation within the change. Furthermore, he highlights the last phase as critical where most companies fail with their change process, which is to institutionalise the transformation within the organisation (Kotter, 2007). Thus, meaning that to make the change sustainable within the organisation the corporation needs to implement the change within the organisational culture. Due to organisational change being a process which takes time, it is not easy to study and therefore there is not much research in the field (ibid).

# 2.2 Organisational Culture and Sustainability Strategies

In order to understand how sustainability strategies can be visible within the organisational culture and their relation, the literature by Schein (2004), Kunda (2006), Baumgartner (2009), Engert and Baumgartner (2016) and Moss Kanter (2011) will be discussed. In the following paragraphs, the literature is presented and discussed to highlight important arguments to support the analysis in chapter five.

The Model of Schein (2004) contains three aspects of organisational culture; artefacts, values and basic assumptions (Schein, 2004). The three levels can be used to study any groups' culture. The character of the cultures gives a description of the underlying basic assumptions if these are understood one can comprehend the surface levels more easily to deal with them in a proper manner. artefacts include the phenomena of what is visible, can be heard and felt

when entering a new group with an unfamiliar culture. Values are espoused justifications which are normally based on the learning history of the organisation, e.g. if a solution for a problem worked and a similar problem occurs, there is a shared perception of how to solve it. The model of Schein (Fig. 1) present basic assumptions as guidance for the individual behaviour and instruct members of the group how to perceive, think and feel. These aspects should be used as tools by managers to understand the dynamics of organisational change and are further articulated by Kunda (2006). Kunda (2006) describes the relation between culture and organisation but also present's the everyday interactions and rituals of how culture is constructed. He claims that in order to create strong corporate cultures the organisation has to shape norms. His main findings besides shaping norms are that the organisations also have to install beliefs, inculcate values and generate emotions. Strong corporate cultures have to have intense emotional attachment and are articulated by the company values (ibid).

#### The Model of Schein

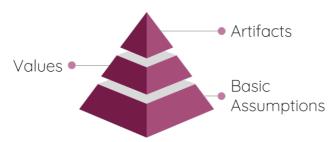


Fig. 1. Own rendering of The Model of Schein (2004).

Baumgartner (2009) used the different levels of organisational culture in the Model of Schein to combine with four types of sustainability strategies; introverted, extroverted, conservative and visionary. Baumgartner (2009) explains that the strategies present the different stages of corporate approach towards sustainability. An introverted strategy focuses internally with legal compliance and risk avoidance. Sustainability actions are made only if they are required from external forces or if it is favourable for the company.

An extroverted sustainability strategy focuses on presenting enthusiastic environmental programs and sustainability reports while progress actions towards sustainability are overlooked. The focus lies on the organisation's external relations and providing information about the organisations' effect on the environment to the stakeholders and can be viewed as a marketing tool. This comprises risk of losing credibility and confidence of the stakeholders if the reported activities are not linked to the daily business. The extroverted strategy can also be transformative, meaning that it interacts with the market and actively tries to change the market conditions. A transformative extroverted sustainability strategy aims to create new market opportunities in the light of sustainable development. Baumgartner (2009) explains that companies with a conservative strategy put their efforts on eco-efficiency within the production. By avoiding emissions, waste and providing products with low material use competitive advantages emerge as well as reduction of environmental impacts.

The visionary strategy implies that sustainability is infused within all business activities and the entire organisation is devoted to sustainable development. Sustainability is integrated into the company strategy and vision and enables competitive advantages to be obtained from innovation and differentiation. Baumgartner and Biedermann (2007) divide the visionary strategy into two subtypes; visionary conventional or visionary systematic. The conventional strategy has its' focus on the market whereas the market perspective influences the company's sustainability strategy. The visionary conventional strategy is based on an optimistic mindset for market opportunities where working with sustainability may lead to those opportunities. When a company has the visionary systematic strategy, it implies that sustainability constitutes a foundation within the company. The visionary systematic strategy may also focus on market opportunities but is not only driven by the market perspective to influence the strategic management. It has also a resource-based view, meaning that sustainability is to be found in the normative level of the company. Sustainability is found as core values within the organisation and its' resources are used to comply with sustainability measurements.

To analyse the relation between the cultural level and the strategy types, each level of the Model of Schein is described more in detail. artefacts are represented through structures and processes, the value level through strategies, philosophies and goals and the level of basic assumptions through views, cogitations, and emotions (Fig. 2).

# **Corporate Sustainability Strategies**

	Introverted	Extroverted		Conservative	Visionary	
		Conventional	Transformative		Conventional	Systematic
Artifacts						
Structures	×	1	1	1	11	11
Processes	X	Х	×	1	1	11
Values						
Strategies	✓	1	1	1	1	11
Goals	1	1	1	1	1	11
Philosophies	Х	X	×	1	1	11
Basic Assumption						
Views	X	X	1	1	1	11
Cogitationes	Х	Х	×	×	1	11
Emotions	X	Х	X	X	Х	Х

✓: Relationship, precondition ✓ ✓: Strong relationship

X No relationship

Fig. 2. Own rendering of the relation between the Model of Schein and corporate sustainability strategies by Baumgartner (2009).

The introverted strategies relation to the organisational culture can neither be observed in the artefacts nor the basic assumption (Baumgartner, 2009). Implementation of the strategy can be done without any specific view or cogitation about sustainability. For extroverted strategies, the internal structures are necessary in order to manage the environmental reports. The external strategy occurs at the espoused value level and the difference between the conventional and transformative are that in the case of a transformative external strategy the level of basic assumption is also affected since it is not possible to influence external stakeholders otherwise. The conservative strategy needs to be implemented in the level of values where the focus is on the production processes. These values present minimisation of waste and emissions through efficient and effective use of resources. The visionary strategies are embedded in all cultural levels. artefacts related to sustainability are designed with the strategies, goals, and philosophies at the level value which have to be based on basic assumptions. The view of sustainable development has to be positive at the level of basic assumptions (ibid).

The visionary strategy that Baumgartner (2009) present is similar to what Moss Kanter (2011) argues is a "Great Company" in her article "How Great Companies think differently". She discusses how caring for the environment creates value and that there is a difference between companies and so called "Great Companies". The latter adopt institutional logic and operate to make profit whilst building enduring institutions (Moss Kanter, 2011). "Great Companies" invest in society and people and the main focus is not only short-term profitability but also to establish persisting returns. In order to be regarded as a "Great Company", according to Moss Kanter (2011), an organisation should contain six principles; common purpose, long-term focus, emotional engagement, innovation, partnering with the public and self-organisation. Moreover, these principles lay the foundation of what Moss Kanter (2011, denotes as institutional logic. Moss Kanter (2011) describes that wellarticulated values can be a source of deep emotional engagement. This complement the arguments by Kunda (2006) that a strong organisational culture includes an emotional attachment. According to Engert and Baumgartner (2016), there are six important success factors that enable implementation of strategies for corporate sustainability; leadership, communication, organisational structures, organisational culture, management systems, motivated and employees. When an organisation possesses these factors, they enable sustainability change within the organisation (Engert & Baumgartner, 2016).

These strategies could be regarded as different stages of corporate development towards sustainability (Baumgartner, 2009). The weakest being introverted strategy, the extroverted and conservative strategies as middle stages and the visionary strategy as the strongest. Therefore, it might be more complex than it seems to develop from one strategy to the other since it involves change. Changes in influencing factors such as business environment, leadership, management practices and formal socialisation processes as well as informal socialisation processes will result in development and change of the culture (ibid). Likewise,

Moss Kanter (2011) states that the principles of institutional logic (Fig. 3) also can change leadership and corporate behaviour and lead to a competitive advantage.

## **Institutional Logic**

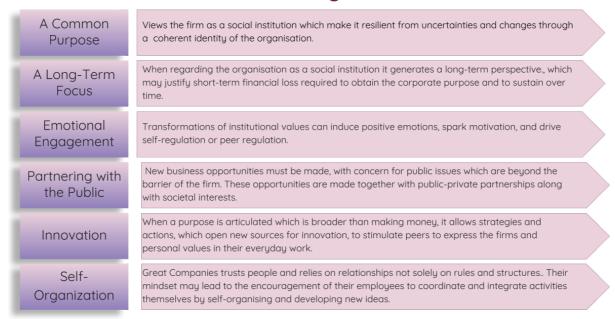


Fig. 3. Own rendering of the principles of a Great Company and institutional logic by Moss Kanter (2011).

## 2.3 Change Management

In the following paragraph, three aspects of change management will be presented. The three theoretical framework includes Kotter (2007) and his article "Leading change – why transformation efforts fail" which contain eight steps that an organisation need to go through to institutionalise change. Followed by the article written by Beer and Nohria (2000), "Cracking the Code of Change", which present's two theories of how organisations can drive change. The first theory is from an economic point of view, Theory E and Theory O. This is mainly from an organisational perspective. Furthermore, perspectives from Epstein and Rejc Buhovac (2014), also broaden the theoretical perspective.

Kotter (2007), discuss the change process and why companies whose ambition are to transform into something better fail. By observing companies that successfully changed he identified several phases that the company had to go through which required time. If any of the phases were skipped an illusion of progress was created but did not generate positive results. Additionally, making critical mistakes in any of the phases of the process could cause destructive results for the organisation. Following the eight steps of transforming an organisation will be presented.

The first step which Kotter (2007) mention is to establish a sense of urgency within the organisation in order to examine the market. This step is also part of identifying potential crises and opportunities. The second step is to form a group that has the confidence to lead

the change and also the authority to make decisions. Kotter (2007) claims that in order to create a functional group the organisation has to decide who is going to participate and encourage teamwork. The third step, the team have to create a vision which aims to direct the process of change and develop strategies in order to achieve the vision. He discusses that without a clearly articulated vision that is integrated into the entire company the culture change will not follow the anticipation. He further implies that the vision shall be created by the team leading the change whereas Beer and Nohria (2000) discuss a combined leadership where the top management should set the direction and engage employees below.

The fourth step, which Kotter (2007) states to enhance the outcome of the change effort, the organisation has to communicate the new vision and strategies but also to teach new behaviours by the leading coalition. This step could link with Beer and Nohria (2000), who discuss a combined form of leadership, but they do not mention how to change the corporate culture behaviour. They do, however, present how organisations should use reward systems in order to improve their employees' performance. The fifth step of organisational change is to empower others to act on the articulated vision where Kotter (2007) discuss the importance of removing obstacles that hinder change or how to act on the vision. He highlights the importance of changing systems and structures that in any way undermine the vision. Furthermore, he encourages risk-taking and non-traditional ideas, activities, and actions which Kotter (2007) states will empower others to act according to the vision. Beer and Nohria (2000) discuss the process of change and offer two aspects of change, either the organisation should plan and establish programs or let the organisation experiment and evolve. However, the combination of the two aspects of planning for spontaneity might differ with what Kotter (2007) suggests about taking risks and being spontaneous.

The following sixth step includes planning for and creating short-term wins where the organisation visualises and plan for improvements and when achieved they should be celebrated. Epstein and Rejc Buhovac (2014) also stresses the importance of defining performance measures and include incentives and rewards for accomplishments to be used as a tool to implement sustainability strategies. As employees work towards achieving goals, the company further implements its sustainability strategy successfully. The reward systems Beer and Nohria (2000) discuss are either of financial incentives or through employee commitment while Kotter (2007) does not specify how achieved goals should be celebrated. Organisations can manage to undergo all previous steps, but it is common that the following steps are forgotten since the declaration of change success might have been too early (Kotter, 2007).

The seventh step emphasises the importance to continuously enhance improvements and actively work towards change through frequently removing what does not fit the vision statement (Kotter, 2007). He also discusses the significance of hiring and promoting those who will act in compliance with but will also further work to implement the transformation vision. Lastly, in the eight step, the organisation has to institutionalise the new approaches

within the corporate culture and Kotter (2007) discusses that change persists when it becomes a natural part of the organisations' behaviour. There are two major factors which are particularly important to institutionalise change in the organisational culture. First there has to be a continuous attempt to present the employees with the new approaches, behaviours, and attitudes, otherwise, people tend to create inaccurate links between the three (Kotter, 2007). Secondly the organisation has to ensure that senior management personifies the new approach, otherwise, the change renewal seldom last. Additionally, Epstein and Rejc Buhovac (2014), also claims this to be of significance hence, the commitment from management and the "tone at the top" is crucial to implement the sustainability strategy. This is important since, it is the management that is responsible to protect the sustainability principles and driving them into the corporate culture (Epstein & Rejc Buhovac, 2014). Furthermore, Kotter (2007) discuss that one poor judgement at the top management can undermine several years of change.

## 2.4 Analytical Framework

In order to analyse the empirical data and answer the research questions, an analytical framework has been constructed. Following a description of how the theories are interconnected and show similarities is presented.

The different sustainability strategies, presented by Baumgartner (2009), are based upon the Model of Schein. To define how Quality Panorama articulates organisational culture, the Model of Schein and Baumgartner's (2009) sustainability strategies is complemented by Moss Kanter (2011), institutional logic. The aspects of institutional logic display similarities with how Baumgartner (2009), identifies the visionary strategy. However, neither of Baumgartner's (2009), sustainability strategies display emotions to be of importance whereas, Moss Kanter's (2011), institutional logic articulates the significance of emotional engagement in organisations to genuinely work with sustainability. Therefore, to answer how deeply the corporate sustainability strategy has been integrated into the organisational culture at Quality Panorama Hotel, Baumgartner's (2009), sustainability strategies are used as a connection to the organisational culture. If Quality Panorama displays any of the aspects from Moss Kanter's (2011), institutional logic, it may cause reason to link these aspects to have their base in organisational culture.

Integrating sustainability strategies within an organisation requires change and Kotter (2007), stresses that in order to maintain change within an organisation the change has to be institutionalised within the organisational culture. Hence, this further motivates the use of the Model of Schein and the sustainability strategies by Baumgartner (2009). Additionally, Moss Kanter (2011) articulates how Great Companies work with sustainability in such manner which corresponds with how Kotter (2007) initiates change. To successfully lead change Kotter (2007) emphasises creating a vision and communicating the vision to all levels of the

organisation whereas, Moss Kanter (2011) identifies that Great Companies share a common purpose. Therefore, in order to answer the second research question; How has the change of implementing sustainability strategies within the organisational culture at Quality Panorama progressed? The eight steps of leading change by Kotter (2007), are examined to state whether Quality Panorama has succeeded with the required internal change process of institutionalising the sustainability strategy.

To analyse the empirical data the theories regarding the aspects of organisational culture, sustainability strategies and change management are combined (Fig. 4).

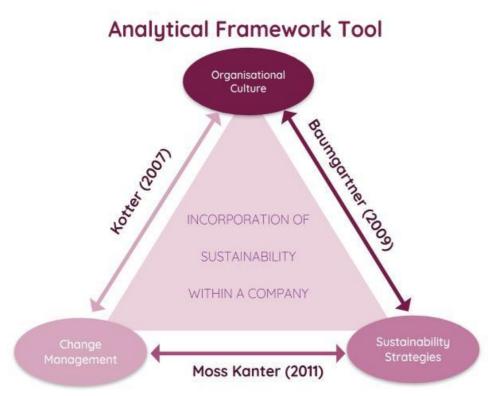


Fig. 4. This thesis' analytical framework tool.

# Chapter 3. Method

This chapter presents and motivates the study's procedure and methodology. The study is based on an inductive approach and follows a qualitative procedure. The primary data has been collected throughout semi-structured interviews which set the foundation of the study's' empirical data. The secondary data such as the theoretical framework of this study is based on academic literature, scientific articles, books, and reports. Additionally, this chapter discuss the validity and reliability of this study.

## 3.1 Choice of Method

There are various methods to examine problems, but in order to gain a more profound understanding of an issue, a qualitative method is favourable. A qualitative study provides empirical data to be analysed on depth, and not on breadth (Bryman & Bell, 2013). To examine the relation between the implementation of sustainability strategies, the organisational culture and the change process of which an organisation undergoes, the study will, therefore, follow a qualitative method.

According to Yin (2018), a suitable method to study changes and gain a deeper understanding of a phenomenon is to follow the procedure of a case study. He defines case studies as practical analysis that examines contemporary phenomenon within its' real-life context. A case study is therefore used to study a smaller demarcation, e.g., a group or an organisation and are in line with a qualitative research approach (Patel & Davidson, 2011). Case studies are suitable for observing changes and processes within the object examined (ibid). Therefore, this thesis has been constructed through a case study due to its purpose, to gain a more profound understanding of how different elements (Patton, 2014), such as organisational culture and sustainability strategies, fit together. Thus, this is why the thesis has been constructed accordingly to a case study.

The case has been applied to an organisation, one of the Nordic Choice hotels, that have been participating in their Sustainability Coach Programme. The NC Group is known for its' intense organisational culture and claims to work with sustainability, which is why the organisation has been chosen to be the most suitable object for this thesis. Furthermore, the Quality brand won an award due to their transformation of organisational culture (HSMAI-E, 2018), which further strengthen why a Quality Hotel has been chosen for this thesis. Moreover, Quality Panorama Hotel has been selected due to one of the authors' previous knowledge if their sustainability work and her prior engagement at the hotel.

We define the examined case, Quality Panorama, as a critical case due to the evaluation of the hotels' approach towards sustainability. A critical case permits analytic generalisation,

meaning if a theory can work in a critical case it is likely to work in similar cases (Patton, 2014). Therefore, companies within the service industry, with the wish of integrating sustainability, may find a use of the thesis' conclusions. As earlier stated, many companies find working with sustainability difficult, yet NC has an intense approach towards their sustainability work. It is necessary to choose a case that will provide relevant knowledge about the subject (ibid). Thus, to gain an understanding of how deeply a corporate sustainability strategy can become integrated into the organisational culture, without the support of a qualified full-time sustainability manager, Quality Panorama was selected due to being a reliable case.

## 3.2 Literature Overview

The theoretical framework for this case study was collected through existing research within the same field as this thesis. To maintain the study's' legitimacy and validity the theoretical framework has been collected through empirical studies which include scientific articles, reports published in various scientific journals where all have been peer-reviewed. It is essential to emphasise the importance to use literature that is peer-reviewed, meaning that they have been reviewed and accepted by several within the same field of study for the sake of legitimacy and validity. These articles and reports have been collected through the Library of Gothenburg website and its search function "Supersök" or at "Google Scholar". Some of the search keywords that have been used to find relevant literature are; organisational culture, sustainability strategies, change management and how to implement sustainability strategies. Furthermore, secondary data about the NC approach toward sustainability has been gathered from their sustainability reports and websites. Additionally, the secondary data consists of articles and interviews published in newspapers with the NCs' founder, Petter Stordalen, and the organisational culture acknowledgements of both the NC Group and the Quality Hotel brand. These sources of information have contributed to the construction of a general picture of the case study but also, to highlight and put the case study in its' context.

# 3.3 Interview Study Setup

Collecting data through interviews is preferable since it allows respondents at Quality Panorama to present their own opinions about the sustainability work. It is beneficial for the outcome of the study and its' reliability if the researchers have some control over the circumstances of which the data is collected (Jacobsen et al, 2002). Also, the quality of the gathered data relies on the interviewers' prior knowledge if the subject examined (Kvale & Brinkmann, 2009). Even if one of the authors has experience of Quality Panoramas sustainability work, both of the authors prepared for the interview by studying the theories used and also the company's website.

#### 3.3.1 Interviews and Structure

In order to answer the research questions, the data collection for this case study has been gathered from interviews. To examine the organisational culture, it has been essential for this thesis to use qualitative research interviews. Kvale (1996) means that this research method aims to describe the essence of the perceived world themes of the subject. Moreover, it is used to get the story behind the respondents' experience (McNamara,1999). Therefore, to examine how the organisational culture is influenced by the corporate sustainability strategy and how the organisational transformation has progressed thus, the most suitable procedure was to conduct interviews. The interviews were held according to a semi-structured approach, meaning that the researcher has a prepared structure and questions but are open-minded for related themes that occur throughout the interview (Bryman & Bell, 2013). The researchers adjusted the interview to the respondent but followed a checklist in order to compare the interviews.

According to Patel and Davidson (2011) this methodology when conducting interviews allow the interviewed objects to talk freely and the researchers to identify the interviewed object characteristics and assumptions. Since the organisational culture is visible through the respondents' assumptions of the company's sustainability work, this method is preferable. The formulation of the interview questions (Annex 2) regarding organisational culture has been inspired by the questions Baumgartner (2009) used in his case study within a mining company.

## 3.3.2 Description of the Interview Objects.

Bryman (2011) argues that choosing relevant respondents is important for the outcome of the collected empirical data. When corporate culture is profoundly integrated within an organisation, all employees act in compliance with the corporation values, artefacts, and the basic assumptions. Therefore, to analyse and understand how the hotels' sustainability strategies have been institutionalised within the corporate culture, members of staff from different departments of the organisation have been interviewed to enable the authors' control of the interview reliability.

Following, a short description of the respondents is presented in order to give an understanding of their position in the organisation. In total four interviews have been conducted and recorded on three different occasions, 2018-04-06, 2018-04-09, 2018-04-16 at Quality Panorama, and the duration of the interviews were an hour each. The participants of the interviews came from managerial positions and different departments at Quality Panorama. The respondents were chosen due to their role and position at the hotel and the interviews aimed to examine whether their values, artefacts and basic assumption are infused by sustainability. All participants have agreed to disclose their identity.

**Eva Sandholm**: work as the Hotel Director and has the responsibility to deliver financial results to the group. She is not in charge of the sustainability work but has a decision-making position which all investments and ideas have to be accepted through. She has had her position for 7 years.

**Annika Larsson:** work as the Breakfast Manager, she has full responsibility to make sure that what is served during breakfast has the right eco-labels. She has worked at the hotel for 30 years.

**Ulrika Gielow:** is both the Reception Manager and the Culture Ambassador representative at the hotel who has direct contact with the Quality Hotel brand. She has the responsibility to infuse the Quality Hotel culture at Quality Panorama. She joined the organisation 16 years ago.

**Lars Utter:** work as the Technical Manager but is also a Board Member who has decision-making authority. He started working at Quality Panorama 2 years ago.

**Karin Öhrström:** work as the Conference Manager and the Sustainability Coordinator at Quality Panorama. She was asked by email and gave her consent to disclose her identity in this thesis. However, she has not been interviewed due to the close working relationship with the previous Sustainability Coach. Öhrströms colleagues referred to her when interviewed therefore, she is mentioned throughout the thesis.

# 3.4 Data Analysis

The collected data consists of answers from the interviews and secondary data. In order to process the data and to construct the empirical data, we followed the procedure which Jacobsen et al. (2002) advocates. The elements of the procedure are description, systematisation, and categorisation plus combination (ibid).

In order to analyse whether the corporate sustainability strategy is integrated within the core of the organisational culture, the interviews follow a structure based on the Model of Schein and the eight stages for organisational transformation by Kotter (2007). To structure the empirics with the answers from the interviews we have used a checklist (Annex 3) to verify whether the interviewed participants have mentioned the subjects and how they responded. Organisational culture is difficult to study, which is why the methodology of this study has been inspired by the methodology found in Baumgartner (2009). He used the checklist to observe on which level in the Model of Schein the participant expressed sustainability to be a part of the organisation. For the same reason, we have conducted a checklist to later enable a clear structure of the empirics based on the transcribed interviews. It is important for the relevance of the study not to exclude important information and to manage that the analysis

should begin as broad as possible to later narrow it down (Jacobsen et al, 2002). This mindset has been applied when the analysis was constructed. This thesis has been written in English, but the interviews were held in Swedish which may have affected the empirical data and even the analysis due to translation.

As earlier stated, organisational culture is a complex phenomenon to study (Baumgartner, 2009; Kotter, 2007), the empirics have been presented in such way to give the reader an understanding of Nordic Choice sustainability work and how it is visible at Quality Panorama

## 3.5 Ethical Consideration

The ethical aspects of research are crucial. Some of the ethical factors, highlighted by Bryman & Bell (2013), are consent, no deception or exaggeration of the collected data, any relation, including conflict of interest, must be stated and bias primary data. An important ethical consideration of this thesis is the choice of anonymity and confidentiality. Thus, it can affect the outcome of the answers in the interviews which it is why it is of great importance (Patel & Runa, 2011). Consent was given by the respondents and they chose to not be anonymous. Exaggeration, conflict of interest and bias, will be discussed further as part of the validity and reliability.

## 3.6 Validity and Reliability

As previously mentioned it is of importance to contemplate the quality of the collected data and especially when using secondary data. Throughout the process, the authors have critically reviewed all data and its sources. To create a useful study the validity and reliability have to be contemplated (Bryman & Bell, 2013).

There are several different aspects of how to ensure the thesis reliability when using a qualitative method (Bryman & Bell, 2013). These aspects are stability, internal reliability, and the interviewing-effect as another aspect of reliability (Patel and Runa, 2011). Following aspects are taken into consideration as they could potentially be regarded as a weakness for the case study. The major aspect is stability meaning that the examined object has to maintain stability for a longer period of time. If the researcher examines an object at an early stage and later resume the test, the results shall contain a clear correlation meaning that the examination has stability. Meaning, stability to that extent that the result will not change extensively with time (ibid). To control and check the study's' stability is complex and difficult due to external factors and circumstances which might cause differentiation in the examination (ibid). Internal reliability is the second aspect which are the measurements and signs where one has to assure the measurements correlation. The interview checklist (Annex 2) is used as a tool to map out the respondents' answers and to discover correlations and differences between their perceptions.

The last aspect of reliability is the interviewing-effect, an aspect that could be affected by one of the authors previous engagement with the hotel. One of the authors of this thesis has worked as the Sustainability Coach at Quality Panorama Hotel, which may lead to questioning the reliability of the thesis. The total amount of work hours that the coach spent at the hotel throughout the year was 96 hours and she was primarily working with one person who has not been interviewed for this thesis.

The author who has worked as the Sustainability Coach has thus, not led the interviews with those who she has had a closer working relationship with. It has been essential for the usability, reliability, and validity of this study that these participants were interviewed by the author with no prior knowledge of the organisation and its sustainability work. This has been of importance in order to extract as much information as possible during the interviews and not exclude information of significance due to a mutual understanding of the hotels' existing structures. In order to avoid alteration of what was said during the interviews, they were recorded to enable control of the interviewing-effect (Patel and Runa, 2011). However, all interviewed participants have had some connection to the prior Sustainability Coach which needs to be criticised and discussed to potentially have caused interviewing-effect, meaning that the interviewed person adjusts their answer to the interviewer (Patel & Runa, 2011). The interviewing-effect also include that the interviewed object consciously or unconsciously understands what is expected from them and therefore departs from the real value (ibid). Since there is a personal connection between one participant interviewer and the interviewed object it is vital for the reliability of the study to prevent interviewing-effect from occurring. According to Patel and Runa (2011), one can prevent the interviewing-effect by being experienced as an interviewer and well prepared for the task. Neither of the authors has professional interviewing-training but have executed similar interviews previously, which strengthen the reliability of the study and prevent the interviewing-effect.

Jacobsen et al. (2002) divides validity into two section, external and internal validity. Internal validity means if the results have been formulated in a correct manner (Jacobsen et al, 2002). Within the field of social science, the term intersubjectivity is used to describe that through research one cannot find the definite truth but only try to get as close to the truth as possible. In order to find the nearest truth, one has to have an agreement about which description of the studied phenomenon is real. The more people that can agree on the description the higher is the probability. To assure the internal validity there are two procedures to do so; to control the conclusion and critically review the results (ibid). Therefore, to study a complex phenomenon as organisational culture and to state how deeply the culture is within the Model of Schein, all respondents have to show a similar perception of their sustainability work. To critically review the results of the interviews the respondents' answers have been, as mentioned, reviewed by the checklist (Annex 2).

External validity is a measurement of what extent a study's result can be generalised (Jacobsen et al, 2002). As already mentioned a qualitative methodology aims to bring a more profound understanding of the processes within the examined phenomenon (Yin, 2018). Therefore, the main purpose with generalisation is not to apply it on a larger context than the studied phenomenon but rather to examine and give perspective on the study's result on a theoretical level (Jacobsen et al, 2002). Hence, the case for this thesis is regarded as a critical case meaning that the theoretical findings can be applied to organisations within the service industry.

# Chapter 4. Empirical Data

The following empirical data presented are based on information from the Nordic Choice websites and interviews from the founder Petter Stordalen, who is cited throughout the empirical data chapter. Additionally, interviews with the employees at Quality Panorama are also presented as personal communication. The interview with Annika Larsson, the Breakfast Manager, was held 2018-04-06, the Hotel Manager Eva Sandholm was interviewed 2018-04-09, the Technical Manager Lars Utter and the Front Desk Manager and Culture Ambassador Ulrika Gielow were interviewed 2018-04-16, separately.

The structure of this chapter is firstly general information about Nordic Choice followed by information about their sustainability strategy, organisational culture and lastly information of how Quality Panorama change towards being sustainable.

## 4.1 Nordic Choice Hotels

Nordic Choice was founded in 1990 in Norway and consists of 186 hotels in Scandinavia and the Baltics (Eat, 2018). The group's business idea is to be the first choice of travellers within Scandinavia and the Baltics (NC, 2018c). Therefore, they have brands to target different segments such as business travellers, conferences, and holiday travellers. The three different brands within the group targeting different segment of hotel guests are *Comfort Hotel*, *Clarion Hotel*, and *Quality Hotel*. The hotel's size and revenues are to be found in Annex 3. The Quality Hotel brand motto is "expectations and excitement" and "it's taken care of!" (NC, 2018d). Their ambition is to give their guests a smile and are described as a colourful memory book that adjusts to match their guests' needs. The Quality brand is the largest hotel chain in Scandinavia, containing 60 hotels (ibid).

The Norwegian hotel group was founded by Petter Stordalen and is a part of his Strawberry Holdings (SvD, 2018). The values of Stordalen is the foundation on which the group has been built. In an interview, Stordalen claims that "if you are very wealthy you have to be very kind" (SVT, 2017). He continues with the responsibility to manage the resources in such way

that they do not only benefit oneself, but also employees and the rest of the society. In another interview, he defines the keywords for the future entrepreneurs, which are tax morale and corporate sustainability (SvD, 2011). Furthermore, he states that "an expanded focus of shareholder value is needed otherwise, the raw form of capitalism might take over which is not favourable for the society." He is sceptic about listing companies on the stock market and reason that it is wrong to only have focus on better financial results without taking concern for the surrounding world. Stordalen further states that companies have to include sustainability, not only in their annual audits, they have to invest money in developing the sustainability work. When asked why NC is not listed on the stock market he answers that "it is easier for me to act for a long-term purpose and do activities that are important" (SVT, 2017; SvD, 2011).

Sandholm who has worked as the Hotel Director at Quality Panorama Hotel for seven years describes her function as the "cog in the wheel" and articulates similar values as Stordalen. Further, she expresses that "I believe that Stordalen does a lot of good with his money within the organisation. Therefore, it is fun to work at Nordic Choice and to sell his product." When making decisions Sandholm considers what Stordalen would do and feels confident that he would always choose the best alternative for the environment, even if it is more expensive. She further describes that it is a relief that NC is not listed on the stock market, and it has been promised that NC never will be listed. Sandholm continues with "this promise gives me relief and assures us that our work is not only about the money."

# 4.2 Sustainability Strategy

The NC group states that all of their hotels take responsibility for societal issues and that it is an integrated part of their organisation (NC, 2018c). Additionally, the group has articulated an environmental vision; to be a climate neutral company, free from toxic environmental emissions and to be a hotel that does not have any negative impact on biological diversity (NC, 2018b). To ensure that the hotel work in compliance with their vision they have further articulated five environmental aspects which abbreviation is V.A.K.E.T and stands for: water, waste, chemicals, energy, and transport (ibid). NC claim to believe that profit that has been earned in an ethical and responsible way is more valuable (Eat, 2018).

All respondents at Quality Panorama describes their work with V.A.K.E.T influences how the hotel manage its sustainability work. To decrease the hotels' water usage Utter mentions that himself and the Sustainability Coordinator found a modern and water saving urinal. It lowered the hotels' water usage by 100 000 litres a year and reduced the cost by 50 000 SEK per year, a solution resulting in both financial and sustainability benefits. As for Quality Panoramas waste control, Larsson mentions that "all waste is measured and registered". Also, Larsson mentions that the NC Group has incentives to use smaller plates which have reduced the food waste by 20% compared to regular sized plates. To decrease the hotels

chemical usage Utter mentions that himself and the Housekeeping Manager have created guidelines of how chemicals are allowed to be used and that they "always look for better equivalent options than chemicals". Utter also emphasises that to decrease the hotels' energy usage better control systems are demanded to more efficiently regulate the energy usage. All respondents mention that they aim to reduce the number of transportations. They are continuously working with lowering the number of supply transport to the hotels by decreasing orders and planned purchases. Several of the suppliers coordinate the transport of their goods.

The NC group has a Code of Conduct with ethical guidelines based on UN and ILO conventions (NC, 2016). When partnering up with suppliers, the group prioritise those companies who are working with decent working conditions and human rights, both in their operation and their suppliers (ibid). NC chose not to cooperate with suppliers that do not work with or show no improvement in their work with sustainability. Since 2016 NC work with a minimum sustainability and working condition demand, where reports and evaluations of the suppliers' progress is of importance for a continuous business relationship. In their results with this work NC state that they cannot guarantee that for example child labour does not occur at their suppliers, but they aim to guarantee that they are working to avoid it.

To further work with sustainability within the group, they have developed a concept; *WeCare*. WeCare is the NC groups' sustainability strategy, with focus on the triple bottom line; *people, planet,* and *profit*, which are the aspects of how sustainability is defined (NC, 2018c). The main subjects are: *diversity among employers, ethical and sustainable trade with suppliers, local community responsibility, global responsibility in the prevention of human trafficking, environmentally friendly operation and tasty, healthy and sustainable food (NC, 2016). NC support the Sustainable Development Goals set by the UN and highlights that innovation, as well as habitual patterns, are a big part of their sustainability work. To ensure that this is actualised the NC groups' sustainability report 2016 points out that the management is a driving factor for the sustainability work (ibid).* 

One of the target goals of NC is that the guest "should feel better when checking out of the hotel than they did when they came" (NC, 2016). This is a goal to increase the guests' understanding and image of the company's sustainability work. Sandholm explains that all previous sustainability work has been summarised under WeCare. She adds that "once NC realised that it was all connected, and the common denominator, was that we care, made it easy to take a stand" and "everyone has the need to care." Further, this exemplifies good causes of which NC donate money to help other people. Sandholm says that "The motto of WeCare means that everyone should get a better life."

## 4.2.1 Sweet Dreams Stay

The NC collaborates with UNICEF and they have developed the Sweet Dreams Stay, an opportunity for guests staying at the hotels to opt out room cleaning (NC, 2018e). The partnership with UNICEF is focusing on prevention of human trafficking, enabling the guest to contribute to a child's safety in Cambodia, an area where trafficking is a high risk (NC, 2016). Larsson, Gielow, and Sandholm mentions the collaboration with UNICEF where NC donate money and sell bracelets to support and get women in Africa off the streets.

#### 4.2.3 Sustainable food

In 2012 the NC group created a food platform with guidelines and focus points, including restrictions on the use of palm oil, due to its' degradation of the rainforest also, less meat and reducing food waste (NC, 2016). The group uses smaller plates which have reduced the food waste by 20% compared to regular sized plates (ibid). Larsson, who is the Breakfast Manager claims that "work with food is highly affected by Quality Panoramas sustainability work." Larsson states that Quality Panorama does not use palm oil and that this is presented to the guests together with the sustainability aspects. Sandholm says "that the visual aspects of the sustainability work at Quality Panorama are that we do not use palm oil and mostly use organic produce to serve at breakfast." Gielow further states that "I am proud to work for an organisation with a promise not to use palm oil." When Quality Panorama stopped using palm oil, discussion among the employees arouse. For Gielow, this showed that they have an open environment to discuss important subjects and now staff at Quality Panorama discuss why they should eat less red meat.

The Sustainability Coordinator and the last Sustainability Coach changed the personnel food to all vegetarian for a period, which reduced the hotels' water usage by 8 million litres of water. The vegetarian initiative, Sandholm says, "had a great impact on all employees' awareness and I am confident that everyone is aware of our sustainability work." She refers to the vegetarian initiative and says that such activities do not pass by anyone. When asked if sustainability is integrated within the entire, organisation she claims that it is true. About the vegetarian initiative, Utter argues that there have been some complaints from the housekeeping department, and it is important to listen to why someone is opposing the change. He says that "the housekeeping employees maybe become hungry by one thirty and then the vegetarian food might not work for them."

# 4.3 Organisational Culture

Utter tells that the brand *Quality Hotel* has the goal, to become the Best Workplace in the Scandinavia by 2020. In order to reach their goal, they focus on acknowledging one another, lifting each other up and working as a team is vital. The NC group strives to achieve their goal by 2020. Petter Stordalen himself argues that "*Culture is not about being better than the those around you. It is about making those around you better*" (SVT, 2017). The Quality

Hotel brand won an HSMAI award in the beginning of 2018 for *Best Cultural Transformation of the Year* (HSMAI-E, 2018). The motivation stated that the company has successfully redefined their core purpose and implemented a culture with a sense of *Why* for the employees, including positive yields, such as increased revenue and guest satisfaction (ibid).

#### 4.3.1 Culture Ambassador

Gielow is the Front Desk Manager and Culture Ambassador. When asked why she has stayed at Panorama, she expresses "because my passion for providing service to people and my colleagues create positive energy." Gielow articulates that both Quality Panorama and NC, work to create value through their way of creating their culture. By providing job opportunities for immigrants and internships for newly arrived immigrants for them to learn the culture and the Swedish language. This is why their work environment is so multicultural since many have different ethnic backgrounds in all departments within the hotel. Gielow says "we want to give everyone a chance." Sandholm claim "we work to include people in the everyday life through our work programmes and also by acknowledging one another. If you were to look closely at our organisation you would find all segments within the society."

## 4.3.2 How Are the Values Expressed Through artefacts?

Gielow says "that the Nordic Choice group and Quality Panorama have a big responsibility since we belong to a big company. Therefore, we have the possibility to change the way people act and think." To do so she and her colleagues engage in conversation with the guests and tells them not only to not throw the towel on the floor but also why it is important. In the elevators, they have signs that present how they actively work to lower the energy costs and water usage. Gielow also states that "palm oil, it is taboo to even talk about products containing palm oil." Also, she claims that the front desk "have googled all sweets there is to see whether we are allowed to buy them or not." But she adds that it is easy to forget, so it is important to remind each other. Utter too refers to the policy of not using palm oil to be a part of the daily business activities, where the sustainability values are articulated. Gielow mentions that "not all of the efforts made are exposed to the guests, such as the vegetarian lunch initiative." The respondents also emphasise that the Sustainability Coordinator created a folder for new colleagues which explains all values including Quality Panoramas stand on sustainability issues. Larsson adds that she believes that "the visual sustainability work, makes Quality Panorama appear more attractive to its customers since most companies today have their own policies about sustainability."

## 4.3.3 Values & Basic Assumptions

When Sandholm was asked what Quality Panorama does, that may not be sustainable, she says that "sustainability has to infuse the organisation and everything we do." She adds that "it affects everyone, some bring the values back home and exemplifies this with the vegetarian initiative that has been successful." She expresses the importance of letting good things inspire new good initiatives. Gielow emphasises that the vegetarian initiative has had an impact and brought insight about sustainability and her own ability to take action towards a more sustainable world. Larsson expresses how proud she is about the vegetarian initiative, even though not all of her colleagues think the same. She states that excluding palm oil has enlightened her about the degradation of the environment and that she herself can contribute by making conscious choices. Larsson expresses her prior knowledge of the climate impact of meat production, but the vegetarian initiative has enlightened several employees.

Gielow argues "there is never just a sign to market the efforts but there is actual effort behind those signs and everyone at the hotel know what it means and why they are doing it." Also, that Quality Panorama and her colleagues can genuinely say, that what they claim to do is actually what is done. She adds that the posters are not only used for marketing, there is actual effort behind, and everyone at the hotel knows what it means and why they are doing it. Gielow says that "if something occurs that is not in accordance with the values, all employees at Quality Panorama support one another and remind each other to act in compliance with their values." This relates to Utter, who describes the sustainability work as integrated into the culture at Quality Panorama since the staff has become more aware of the sustainability work. He states that the employees think independently and aim towards a common purpose. They work to actualise the values. Larsson adds that "me and my colleagues talk about these values on a daily basis and try to remind one another since it sometimes is easy to forget."

All respondents express that working for Quality Panorama is joyful. Larsson states that "sustainability issues are challenging which makes it exciting to work for improvements." Sandholm implies that the values at Quality Panorama are very distinct, one does not go against them. She adds that "if someone would go against our values, it would be clear that they are not a good fit". Gielow and Larsson agree that everyone at Quality Panorama shares similar values.

When the respondents were asked if they have any further plans to develop their sustainability work, all answers that "it is an ongoing process." Gielow mentions WeCare as a project of how they continuously work to contribute for the good of other people. Sandholm defines sustainable development as "a long-term engagement, sustainable development is

about preserving resources and develop people and environment, a way of living and how to relate to one another ... it is an approach to life, an attitude towards your surroundings, to care, to listen and dare to act." Sandholm strongly believes that unless sustainability is part of the daily activities of a company, those businesses do not have any chance to survive on the market today or in the future.

## 4.4 Change Towards Sustainability

Larsson who has been working at Quality Panorama for 30 years claims that "once I first started here, there was no ongoing sustainability work." This is also confirmed by Gielow saying "I do not remember any articulated sustainability values when I started working at Quality Panorama in 2002." Sandholm who began working at Panorama in 2011, claims that there were clear incentives of how to address some sustainability issues, such as food waste. The Technical Manager, Utter however, whom only have worked at the hotel since 2016, emphasise that it is only the last year that he became aware of the NC groups' agenda toward sustainable development.

## 4.4.1 Sustainability Work

The hotels have their own Sustainability Coordinator without any prior education within the field of sustainability (NC, 2016). The NC mascot for the sustainability work is a penguin. The Sustainability Coordinator is responsible to implement change and register environmental data in the internal reporting programme NewPenguin. To support the Sustainability Coordinator's work, the NC group recruits sustainability coaches for some of their hotels in both Sweden and Norway. The Sustainability Coach, a student of environmental studies, is meant to spend one day each month to develop and implement the sustainability work within the hotel. Further, they have the responsibility to audit the organic food at the hotels. Together with the Sustainability Coordinator, the Sustainability Coach are both parts of developing the hotels' sustainability work (ibid).

### 4.4.2 Sustainability Coordinator

Öhrström work as the Sustainability Coordinator, Sandholm describes her position as incorporated within her other position as Conference Manager. When asked why Öhrström got the responsibility as the Sustainability Coordinator, Sandholm answers that "the Conference Manager had knowledge of purchasing and food supply, which is important for the Sustainability Coordinator." Also, Sandholm describes Öhrström as bold and confident which is why Sandholm thought she would be suitable for this position. Further, she highlights that Öhrström got the position due to her character and describes that Öhrström has poise to pull through challenging changes. She pushed through the vegetarian initiative, which caused a lot of discussions, but she went around to all departments and explained why this change was important.

Utter explains that the sustainability work prior to Öhrström was "less obvious and there was a lack of information about how to do things." But ever since Öhrström became the Sustainability Coordinator, Quality Panoramas work with sustainability grew substantially. When asked about the hotels' sustainability work, Utter shines light on Öhrström's efforts, the projects from NC and their own local projects. Utter, together with Öhrström, have been researching different alternatives of what to improve and keep a close contact and inspire each other. He points out that "the Nordic Choice sustainability work is one leg to stand on, but the hotels need to use the information to make it even better." If the hotels get, from the central office, that they should reduce the use of something, it is then up to each hotel to implement this and additionally find what more each hotel can do for themselves, a freedom which Utter enjoys.

Utter says that "Öhrström's work as a Sustainability Coordinator was focused internally within the organisation and sparked a flame because of her personal interest." She informed all the employees about the sustainability work during meetings and also informally at the cafeteria and also all departments of what needed to be done. Utter claims that they know how to do it now, and then it is easy. Öhrström put up information about sustainability on the signboards, had information meetings and presented the case. She also led a big meeting with all the employees together with the Sustainability Coach, presenting the Quality Panorama sustainability work.

Those who had the position before Öhrström has left which led to their knowledge no longer being within the company. Since the position rotates between the members of staff, Sandholm believes it is important that someone who has worked within the organisation a while gets the responsibility as Sustainability Manager. She emphasises the importance of the person know how to prioritise their time.

### 4.4.3 Sustainability Coach

Sandholm says that the Quality Panorama has had sustainability coaches between 4 to 5 years and there have been different opinions about the sustainability coaches. She explains that it is a matter of personal chemistry and commitment that determine the outcome of the collaboration. Larsson mentions that the last coach that they had, showed great interest in the hotel and believes that was why the outcome of the Sustainability Coordinator's and the Coach's teamwork, was successful. To make an impact it is important to get involved with everyone, which Larsson believes that the last coach did.

### 4.4.4 Sustainability Role

The Sustainability Coordinator role is not a full-time position at Quality Panorama and Utter emphasises the importance of time. Unless the person responsible for the sustainability work does have enough time to do it, then it will not get done correctly. Utter states that "it should"

be a central part of the Nordic Choice group, informing more about sustainability". He believes that if Quality Panorama had a full-time sustainability employee the results would improve. Gielow believes that a full-time manager might not be necessary at all hotels but does, however, state that having two responsibilities takes a lot of time. One has to be engaged and put in many hours to do a good job and "if something more urgent comes at the front desk, I might have to put aside my chores as cultural ambassador." Therefore, having the extra responsibility such as the Sustainability Coordinator can become stressful. The organisation might benefit from recruiting more fulltime Sustainability Managers Gielow states

Quality Panorama rotates the role of the Sustainability Coordinator. Through the rotating Sustainability Coordinator role, Sandholm aims to create an environment where sustainability issues and change processes always are active for everybody within the organisation. Therefore, to only have one person responsible without any other responsibilities within the organisation, she adds "is not the right way for Quality Panorama to incorporate the sustainability values needed". Furthermore, Sandholm state that all organisations are different but here it has been successfully done by letting different middle managers take the responsibility for the sustainability work.

#### 4.4.5 Recruitment

If Utter were to hire someone new, sustainability is important since he claims that it is a part of the hotel. He continues that it is a reason why so many employees chose to work here and if someone does not agree, he/she would probably not last for long. Utter claims the structures at Quality Panorama are obvious and says, "common sense is pretty much what is needed.".

### 4.4.6 Celebrating Achievements

Sandholm states to be generous with celebrating accomplishments within the hotel, which all respondents agree with. However, Gielow articulates that sustainability achievements are not equally celebrated as financial achievements. Utter strengthens his colleagues' statement and add that "I believe that if such achievements were to be celebrated more, it would increase the enthusiasm and innovation ability among the staff." He exemplifies an incident where Gielow handed him a power-bar snack and said: "It's good that you are saving our energy, but here is some energy for you!".

## 4.4.7 Leadership

Sandholm claims "as the person responsible for the hotel, it is important to integrate sustainability within all activities.". It is important for Sandholm to speak to her colleagues and show them appreciation. Sandholm express excitement about following newly recruited

employees and observe how they get sucked into the culture. Sandholm states that the organisation is not hierarchic, which means she herself can be doing the dishes, "we are doing this together...here is everyone's job equally important."

Larsson articulates appreciation towards her manager Sandholm, and that all of their good work has to do with who she is as a leader. Whenever Larsson and her colleagues want to try something new that they believe would be beneficial for the hotel, Larsson says "Sandholm is always on board". Utter adds that many of the improvements that the Quality Panorama has done are due to generous financial freedom and trust from Sandholm.

When Sandholm is asked if she believes that the NC group should invest in more full-time sustainability managers, she claims that "it is part of your work description to engage with the sustainability issues concerning your work. It can become dangerous to only have one person in charge since that may lead to that the rest will relax a bit on these concerns". During meetings or when purchasing something and they have different options, Sandholm says "I ask myself, what would Petter choose?".

# Chapter 5. Analysis

This chapter compare and analyse the empirical data with the analytical framework tool presented in chapter two. The analysis follows the same structure with the same headlines, as in chapter two and chapter four to provide lucidity for the reader.

# 5.1 Organisational Culture and Sustainability Strategies

Baumgartner's (2009) visionary strategy has all levels of organisational culture influenced by sustainability. The first layer of the Model of Schein (2004), is artefacts. At Quality Panorama material reminders, such as posters that present the hotel's sustainability work, are displayed for hotel guest and employees. The signs at the breakfast that present the organic food and the recycling bin in every hotel room, are also artefacts. If sustainability only is to be found within the first level of their organisational culture, artefacts, the hotel would comply with an extroverted strategy (Baumgartner, 2009). However, the employees at Quality Panorama were served vegetarian food, until the last sustainability coach finished the program. The respondents express that the initiative with vegetarian food has affected their personal take on sustainable food. Today most of the food is vegetarian but with other options for the employees to choose from. This, in addition, the NC groups' stand on not using palm oil is displayed as artefacts but also reflects on the values within the organisational culture.

Values are the second aspect of the Model of Schein (Schein, 2004; Baumgartner, 2009). NC has well-articulated values that are understood by the employees and according to Moss Kanter (2011), this enables emotional engagement among the employees. All respondents mention that they believe in the hotels' values and feel pride in working for the NC group. This corresponds with what Kunda (2006) argues is of importance within the organisational culture, to have an emotional attachment to the company values. As the sustainability values are expressed by all respondents within Quality Panorama, activities are formed based on sustainability values and sustainability is part of the decision-making process. These values have been profoundly integrated into the organisational behaviour. Therefore, it can be argued that sustainability is within the basic assumption of the organisational culture at Quality Panorama.

Basic assumptions are the third and last aspect of the organisational culture pyramid, presented by the Model of Schein (Schein, 2004; Baumgartner, 2014). Some assumptions visible at Quality Panorama is described how the sustainability routines, such as recycling and purchasing, are clear for all members of staff on why and how to do so. The basic assumption of work procedures at Quality Panorama corresponds to Kunda (2006), who argues to shape norms in order to strengthen the corporate culture. According to the respondents, they have clear guidance on how to perceive, think and feel towards

sustainability issues, which complies with what Schein (2004) argues are basic assumptions and Kunda's (2006) norms, due to the guidance for individual behaviour. The interviews proved that care is an important value, therefore, the sustainability vision of WeCare is compatible with the caring employees. The essence of WeCare appears within the basic assumption of the organisational culture at Quality Panorama. Moreover, WeCare emerges as a common purpose for all respondents which Moss Kanter (2011) articulates is of significance to create a coherent identity.

The founder of the NC group articulates when operating businesses, one has to be generous and contribute to society. When such mindset is infused within the basic assumptions of organisational culture, it enables an environment which is the synonym to what Moss Kanter (2011) describes as a Great Company. This way of operating businesses, with a common purpose, is in accordance with a systematic visionary strategy (Baumgartner, 2009). A company that has an integrated sustainability strategy within the core of their organisational culture, could arguably be defined as a Great Company. Nevertheless, in comparison to the systematic visionary strategy, the staff at Quality Panorama show emotional attachment. Therefore, the sustainability work at Quality Panorama is also adapting institutional logic. However, institutional logic is not derived from organisational culture, yet, it does have similarities which can be compared to the aspects of Baumgartner's (2009) visionary strategy. In Baumgartner's (2009) strategy model, emotions as part of basic assumption are not obtained within any of the strategies but shown by the respondents at Quality Panorama.

Engert and Baumgartner (2016) claims that one of the success factors of implementing sustainability strategies is to have motivated and qualified employees. All respondent's express motivation and enthusiasm towards their work with the sustainability activities. However, the Sustainability Coordinator does not have education within the field of sustainability, which contradicts what Engert and Baumgartner (2016) suggests. Opinions differ when it comes to the need of a full-time sustainability manager. Some respondents indicate that if the person responsible does not have the time to engage with the sustainability improvements, the effort is instead counterproductive. However, the Hotel Director does not share their belief, that a full-time sustainability manager is necessary, sustainability should not be a separate entity within Quality Panorama. The Hotel Director articulates the value of incorporating sustainability within the normative level of the organisation, which corresponds to what Baumgartner (2009) identifies as a systematic visionary strategy. The normative level being that the role of the sustainability coach rotates between the staff so that everyone has to engage in the sustainability work, learn about it and actively work for it. Furthermore, the method of rotating the Sustainability Coordinator position among the middle management complies with a resource-based view (Baumgartner, 2009). This further strengthens the arguments to compare the Quality Panorama strategy with the systematic visionary strategy by Baumgartner (2009). When the organisational culture is infused by the sustainability

strategy it can be argued that the organisation has managed to institutionalise the change within the organisational culture (Kotter, 2007)

# 5.2 Change Towards Sustainability

When the current Sustainability Coordinator first started off, she sparked a sense of urgency among the staff at Quality Panorama by spreading information to the different departments about the sustainability work by wearing a penguin suit that attracts attention. This is crucial in Kotter's (2007) first step towards change, as it allows identification of opportunities and risk in the initial stage of the change process.

The Sustainability Coordinator got the position due to her being bold, fearless and has the ability to pull through changes. This describes the characteristics of a person who should lead change and complies with the second step described by Kotter (2007). The step articulates establishing a team who have the authority to actively work towards the articulated vision. The interviews showed that the Sustainability Coordinator has had good team work together with the Technical Manager at the hotel. They have established a team and have had the authority to make investments to improve the hotels' sustainability work. Such freedom has led to innovations which also complies with what Moss Kanter (2011) argues are selforganisation. The Hotel Director is described, by all respondents, to trust her employees to generate new ideas for improving the hotels' sustainability work. This adds further arguments to compare Quality Panorama's work with institutional logic (Moss Kanter, 2011). Furthermore, the Hotel Directors' leadership approach, by allowing moderate financial freedom to the sustainability team, relates to what Beer and Nohria (2000) suggests, that the top management should set the direction and engage people below. This kind of leadership enables changes within the sustainability work to emerge, and also set the "tone at the top", which Epstein and Rejc Buhovac (2014) argues is of importance. Kotter's (2007) third step is to create a vision. Quality Panorama, as part of NC group, shares their vision and values. The vision was created centrally, and each hotel is responsible for its implementation.

The Sustainability Coordinators communication is a part of the fourth step of how to change behaviours. By communicating information about vegetarian food and the positive effects linked to the environment, the staff was included in the change. The penguin suit is a communication tool for the sustainability work, as it symbolises a coherent identity. The vegetarian initiative is part of the organisation's development in an experimenting and evolving manner, such as Beer and Nohria (2000) suggest. The Sustainability Coordinators' efforts are described as awakening and engaging by the employees. This led to a lot of discussion and upset emotions among the employees. Such change might be regarded as provocative since it involves behavioural change for members within the organisation. Kotter (2007) identifies ideas that provoke as a success factor of leading change, which is formulated in the fifth step. He also argues the importance of changing systems that

undermine the vision. Part of the NC groups' sustainability vision is to not have any negative impact on the biodiversity. The vegetarian initiative decreased the hotels' environmental impact. Therefore, the vegetarian initiative can be regarded as an action to move towards the NC group's vision. To act according to the vision and teach new behaviours is important according to Kotter (2007). In order to improve or change organisational behaviour, it is important to celebrate achievements according to Kotter's (2007) sixth step. Several respondents highlight the Hotel Managers ability to celebrate achievements in the everyday business. However, the interviews showed that only financial or organisational achievements are celebrated at Quality Panorama. None of the respondents were able to identify an occasion where they had celebrated sustainability achievements. However, the celebration of small achievements should not be mistaken for that the change is successfully completed.

The respondents describe sustainable development within Quality Panorama as an ongoing process, which complies with Kotter's seventh step. To thoroughly institutionalise change within an organisation, Kotter (2007) argues that it is essential to recruit new employees who share the company's vision and values, also stated in his seventh step. Furthermore, some respondents emphasise that it is important if someone new were to join the team at Quality Panorama, that they comply with their sustainability values. The respondents that recruit new employees, explained if someone were to express opinions which contradict with Quality Panoramas values at a job interview, they would not be suitable to work at Quality Panorama. One could not join the team at Quality Panorama if ones' values were completely different from theirs. To enable change, Kotter (2007) states that the organisations have to remove obstacles which hinder change. The managers agree that sustainability work is a long-term engagement, which is one of the factors in institutional logic (Moss Kanter, 2011).

Kotter's' (2007) eighth step argues the importance of articulating the link between the new behaviour and corporate success. Baumgartner (2009) also claims to incorporate sustainability values within the everyday business activities as a challenge, since it includes behavioural change among the employees. All respondents mention that the initiative has influenced them to become more aware of their impact on the environment.

# Chapter 6. Conclusion

The following chapter presents the thesis conclusion by answering the research questions. Furthermore, the contribution is presented, followed by a suggestion for further research as well as the thesis limitations.

## 6.1 Conclusion

The thesis' purpose aims to bring a greater understanding of how deeply a corporate sustainability strategy can become integrated into the organisational culture, without the support of a qualified full-time sustainability manager. To shed light on this issue we have studied the integration of sustainability strategies within organisational culture through change management.

The Nordic Choice group, including Quality Panorama, operates within the service and experience industry, an industry which is based on close customer relations. To create these relations, it is inevitable that the employees in the industry are service minded and caring, which is further emphasised by the respondent employees at Quality Panorama. To successfully work with sustainability and implement sustainability strategies, it may appear important for organisations to invest in a full-time sustainability manager. This is confirmed by Engert and Baumgartner (2016), who identifies organisational culture and qualified employees as key success factors to implement sustainability strategies. However, the results of this thesis show that if the organisation has a strong and well-articulated organisational culture, the sustainability strategies can successfully be implemented within the core of the organisation, despite the lack of a qualified sustainability manager. Hence, we conclude that if the organisational culture is imprinted with a clear sustainability vision, the implementation of sustainability strategies is likely to succeed without the support of a qualified full-time sustainability manager.

### 6.1.1 Organisational Culture and Sustainability Strategies

RQ1. How deeply has the corporate sustainability strategy been integrated into the organisational culture at Quality Panorama Hotel?

This thesis' findings show that the management at Quality Panorama value their culture of caring for each other. Also, they have a learning environment, where challenging topics are discussed and different opinions appreciated. This enables the engagement to broader the employees understanding of sustainability issues. The organisational culture at Quality Panorama is thoroughly infused by their need to care and engage in sustainability. Hence, we conclude that these preconditions have empowered the management to act according to the sustainability strategy, which may demonstrate why the sustainability strategy is visible

through all levels of the Model of Schein. Based on the above-mentioned reasoning, Quality Panoramas organisational culture is deeply influenced by the corporate sustainability strategy, on a management level. The conclusion is based upon that all respondents of the study had basic assumptions of how the hotels' sustainability work was to be managed and expressed personal engagement of their stand on sustainability issues. However, the thesis cannot conclude whether the sustainability strategy is to be found within the deepest level of the organisational culture with the employees below managerial positions. Hence, this leaves room for critique of the study.

Furthermore, this thesis' findings indicate similarities between Moss Kanter's (2011) institutional logic and Baumgartner's (2009) systematic visionary strategy. The findings of this thesis show that the respondents at Quality Panorama have deep emotional engagement toward their work. We also found an environment where the employees are allowed to be innovative and encouraged to improve the sustainability work. Thus, we conclude that the transformation has progressed in such manner, where Quality Panorama display most aspects of Moss Kanter's (2011) institutional logic while simultaneously adopting Baumgartner's (2009), systematic visionary strategy. Hence, we state that Quality Panorama has successfully implemented the sustainability strategy and changed to become a Great Company, in the meaning of Moss Kanter (2011). Therefore, we conclude that institutional logic is a form of visionary strategy with its' base within the organisational culture.

# 6.1.2 Change Towards Sustainability

RQ2. How has the change of implementing sustainability strategies within the organisational culture at Quality Panorama progressed?

The purpose of this thesis also aims to examine if the integration of the sustainability strategies has led to the required internal organisational change. As a part of Nordic Choice, Quality Panorama has a clearly articulated vision and incentives that guides their sustainability work. The change towards sustainability has undergone the steps of change articulated by Kotter (2007). Nevertheless, the findings of this thesis show that sustainability achievements are not celebrated, even though financial achievements are richly celebrated. A vital part of change management is to celebrate achievements according to Kotter (2007), therefore, we conclude that Quality Panorama is still in need of improvements to articulate their stand on valuing sustainability equal to financial achievements. However, the employees at Quality Panorama articulate sustainability as an ongoing process, which indicates that the declaration of change success has not been made too early. Thus, we conclude that the change has been institutionalised and is therefore likely to sustain.

## Why Should We Care?

Overall, the significance of organisations with such an environment, where its employees are encouraged to genuinely care about one another and their customers, should not be diminished. *We should care* since such organisations may lay the foundation to succeed with the change necessary to slow down the degradation of the environment, due to their long-term focus on enduring institutions rather than short-term profits. However, sustainability is not yet equally valued compared to financial aspects, not even within organisations that are fairly sustainable.

## 6.2 Contribution

The thesis contributes to constructively incorporating sustainability within existing organisations it can beneficially be done from a change management perspective. Also, it contributes with that if an organisation has a well-articulated organisational culture, implementing a sustainability strategy does not require a qualified full-time sustainability manager. Moreover, this thesis contributes with the insight that institutional logic, as a sustainability strategy, has its foundation within the organisational culture. Quality Panorama has shown their sustainability strategy within all levels of organisational culture, but also most aspects of Moss Kanter's (2011), institutional logic. Therefore, we state that institutional logic is a structure of organisational culture for sustainable companies. However, this needs further research.

### 6.2.1 Further Research

Baumgartner (2009) states implementing sustainability requires change and Kotter (2007) stresses the lack of research within the field of change management, this thesis has shed light on these matters. However, the findings of this thesis also show the need for further research into how to successfully change and become a sustainable company. Hence, the thesis does not follow the change process of Quality Panorama. Also, further research into how to implement sustainability strategies within a corporation and guidelines on how to transform companies to adopt institutional logic is recommended.

## 6.2.2 Limitations

Primarily, the focus of this thesis has been on organisational culture, sustainability strategies and change management. Due, to limitations, we have not examined how the sustainability strategy is expressed in other hotels within the Nordic Choice group, nor whether they have successfully integrated the sustainability strategy within their organisational culture, despite the lack of a qualified Sustainability Manager. Nor does the thesis follow the change process of transforming into becoming a sustainable company hence the recommendation of further research within this area.

# References

Baumgartner RJ, Biedermann H. 2007. Organisationskultur und Nachhaltigkeitsmanagement: Erlaubt die Organisationskultur ambitionierte Nachhaltigkeitsstrategien? *In Unternehmenspraxis und Nachhaltigkeit: Herausforderungen, Konzepte und Erfahrungen, Baumgartner RJ*, Biedermann H, Ebner D (eds). Rainer Hampp: München; 37–52

Baumgartner, R., Mark- Herbert, Cecilia, & Ketola, Tarja. (2009). Organizational culture and leadership: Preconditions for the development of a sustainable corporation. *Sustainable Development*, 17(2), 102-113.

Beer, Michael, & Nohria, Nitin. (2000). Cracking the Code of Change. (Statistical Data Included). *Harvard Business Review*, 78(3), 133-41, 216.

Boiral, O. (2007). Corporate greening through ISO 14001: A rational myth? *Organization Science*, 18(1), 127-146.

Bryman, A. & Bell, E. (2013). *Företagsekonomiska forskningsmetoder*. 2 uppl. Stockholm: Liber.

Bryman, A. & Nilsson, B., (2011). *Samhällsvetenskapliga metoder* 2., [rev.] uppl., Malmö: Liber.

Engert, S. & Baumgartner, RJ. (2016). Corporate sustainability strategy – bridging the gap between formulation and implementation. *Journal of Cleaner Production*, 113, 822-834.

Epstein, Marc J., & Rejc Buhovac, Adriana. (2014). *Making Sustainability Work: Best Practices in Managing and Measuring Corporate Social, Environmental, and Economic Impacts* (Second edition, completely revised and updated. ed.). Berrett-Koehler.

Företagarna (2015) *Hållbara företag bygger framtiden* Accessed [2018-04-13]

https://www.foretagarna.se/globalassets/hallbara-smaforetag-foretagarna-beyond-intent.pdf

Hospitality Sales & Marketing Association International -Europe (2018), *The HSMAI Region Europe Awards 2017*.

Accessed [2018-04-13]

http://hsmai-europe.com/2018/04/11/hsmai-awards-2017/

Jacobsen, D.I., Sandin, G. & Hellström, C. (2002). *Vad, hur och varför: om metodval i företagsekonomi och andra samhällsvetenskapliga ämnen*. Lund: Studentlitteratur.

Kotter, J. (2007). Leading change: Why transformation efforts fail. 85(1), 96-.

Kunda, G. (2006). *Engineering culture control and commitment in a high-tech corporation* (Rev. ed., Labor and social change). Philadelphia: Temple University Press.

Kvale, S. (1996) Interviews An Introduction to Qualitative Research Interviewing, Sage Publications.

Kvale, S., Brinkmann, S. & Torhell, S.-E., (2009). *Den kvalitativa forskningsintervjun* 2. uppl., Lund: Studentlitteratur.

McNamara, C. (1999). General Guidelines for Conducting Interviews, Minnesota.

Moss Kanter, R. (2011). How Great Companies Think Differently. *Harvard Business Review*, 89(11), 66-78.

Naturvårdsverket (2018) *Hållbar utveckling med Miljöbalken* Accessed [2018-04-02]

https://www.naturvardsverket.se/Stod-i-miljoarbetet/Rattsinformation/Miljobalken/

NC (2018a) Hotell

Acessed [2018-03-28] <a href="https://www.nordicchoicehotels.se/hotell/">https://www.nordicchoicehotels.se/hotell/</a>

NC (2018b) Hållbart i alla led

Acessed [2018-03-28] https://www.nordicchoicehotels.se/samhallsansvar/hallbar-hotelldrift/

NC (2018c) Vision och affärsidé

Accessed [2018-04-02] <u>https://www.nordicchoicehotels.se/om-nordic-choice-hotels/vision-och-affarside/</u>

NC (2018d) Quality Hotel

Accessed [2018-05-03] https://annualreport.choice.no/en/qualityhotel

NC (2018e) Sweet Dreams Stay

Accessed [2018-05-03] https://www.nordicchoicehotels.se/samhallsansvar/sweet-dreams/

NC (2017) Nära Hjärtat, Pris till årets HR-Team

Accessed [2018-03-28] <a href="https://www.nordicchoicehotels.se/blog/nara-hjartat/pris-till-arets-hr-team/">https://www.nordicchoicehotels.se/blog/nara-hjartat/pris-till-arets-hr-team/</a>

NC (2016) Hållbarhetsrapport

Accessed [2018-05-03] https://www.nordicchoicehotels.se/globalassets/global/csr/annual-report-pdf/arsrapport-2016-se.pdf

Patel, R., & Davidson, B. (2011). Forskningsmetodikens grunder: Att planera, genomföra och rapportera en undersökning (4., [uppdaterade] uppl. ed.). Lund: Studentlitteratur.

Patton, M. Q. (2014). *Qualitative Research & Evaluation Methods: Integrative Theory and Practice*. SAGE Publications.

Schein, E. (2004). *Organizational Culture and Leadership (Jossey-Bass business & management series)*. Jossey Bass.

SvD (2018) Stordalen ger hotellkedjan till barnen

Accessed [2018-05-03]

https://www.svd.se/stordalen-ger-hotellkedja-till-barnen/om/nordic-choice-hotels

SvD (2011) Miljardären som misstror börsen

Accessed [2018-05-03]

https://www.svd.se/miljardaren-som-misstror-borsen

SVT (2017) Min Sanning med Petter Stordalen

Accessed [2018-05-03]

https://www.facebook.com/svt/videos/1804883149554265/?fref=gs&dti=1552504778168182 &hc\_location=group

# Annex 1 Interview Questions

#### Hello!

Do you allow us to record this interview and would you prefer to be anonymous in our thesis?

### **Level of Expertise**

For how long have you been working here?

Could please tell us how you got your position here?

What was your previous experience before you started your position here, within the field of sustainability?

#### The Model of Schein

#### Values

- a) Why do you do what you do?
- b) What are your personal values?
- c) How come you chose to work here?
- d) Which are the companies values?
  - i) Could please define those?
- e) Which of the company's' value are most important to you?
- f) Which of the company's' value are the least important for you?

#### artefacts

Would you be so kind to describe all artefacts of which you can see here at the hotel?

g) Which artefacts did you notice once you first started working here?

## **Basic Assumption**

- h) How can you physically see the company's' values?
- i) What happens within the company that is not described in its values? Do any activities stand in conflict with any of the values?
- j) How do you react if you see a colleague go against your and the company's values?
- k) How would you experience if any of your colleagues claim to be against sustainability?
- I) How do you value sustainability experience when you hire someone new?

#### **Other Questions**

- m) How do you define sustainable development?
- n) Do you believe one can measure sustainable development and if so, how?
- o) How do you integrate sustainability within you daily activities at work?
- p) Do Quality Panorama have any sustainability objectives and if yes, what are they?
- q) Do you integrate these in your work and if yes, how do you comply with the objectives?

## **The Change Process**

- When do you perceive that Quality Panorama started working with sustainability?
- Do you remember how it started? Could you elaborate?
- How would you describe that sustainability is integrated within your hotel?
- According to you, how do you perceive your sustainability work today compared to when you started?
- Do you have any intention to continue or develop your sustainability work?
- What do you think about that it is not required to have a qualified sustainability manager at the hotel? To day it is only one out of almost 190 hotels that have hired a sustainability manager full-time?

# Annex 2 The Checklist

Does she/he believe in sustainable development?		
Do the top managers perceive money to be most important than e.g. the job satisfaction of the employees?		
Can one sense that the top management care about sustainability?		
Do stakeholders, customers etc. value sustainability?		
How are those who work with sustainability perceived within the organisation? Are they valued?		
How are projects valued? Are they only valued based on financial results?		
Do they view sustainability on as a long-term engagement? Will sustainability be part of the organisations' future?		
There is difference between to talk about sustainability and how one acts about it.  Do any of the interviewed participants read the sustainability reports?		
Do they have any cost reduced programmes, does it affect the sustainability work?		
Do they value the sustainability work?		
Do the top management value the people and their employees?		

# Annex 3 Business Information About the Nordic Choice Brands

Brand	Revenues mil NOK	Hotels	Employees
Comfort Hotel	932	31	846
Clarion Hotel	4354	76	6325
Quality Hotel	2294	60	3645

Own table of the business information (Nordic Choice Hotels, 2018d)