

## The Lancaster London Hotel

### GLAMOUR AND SUSTAINABILITY:

Thriving on a Strong Sustainability Culture as a Pioneer in Hospitality



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## THE CHALLENGE

Sally Beck, the recently appointed General Manager of the iconic, mid-century Lancaster London hotel, was driving from her home towards the peaceful and tranquil Hyde Park neighborhood where the Lancaster London is located. It was an early Monday morning in typical rainy London weather when she realized that quite a number of Londoners were happily walking and exercising in the beautiful Hyde Park despite the rain, which prompted her to reflect on her next steps in this leading role she had been dreaming of. As a new GM of this famous Hyde Park hotel where the Beatles opened the Yellow Submarine nightclub and where The Italian Job was filmed, she could well lead the Lancaster London to become the happiest as well as the most caring sustainable hotel ever in London by 2017 when the hotel would turn 50.

On the verge of a huge sustainability refurbishment worth £50 million, Sally realized that there was an awful lot of work to be done to bring this 60s hotel back to its former glory. Many features needed to be adapted or changed to be the most sustainable deluxe hotel with the least environmental impact and the most positive contribution to society. She wanted to change some of the industry notions and show that glamour and sustainability could actually go hand in hand in the hotel business. This set an ongoing challenge for the team.

Under the previous GM's guidance and in her previous positions as Director of Marketing & Sales and Hotel Manager at the Lancaster respectively, sustainability had firmly been taking ground in the form of environmental initiatives. The hotel had been recognized for a number of environmental awards, in which the hotel's Director of Procurement, Environment and Sustainability and a recent sustainability champion, Clare Wright had played a key role in successfully coordinating the sustainability activities and their implementation.

Sustainability had, to a large extent, been established in the hotel's vision and values deriving from the slogan 'We always care', yet she didn't believe that the Lancaster London was taking the opportunity to be as flexible and engaged as it could be to solve societal challenges and be happy at the same time. She knew that the hospitality industry, out of so many other industries, could do this work better than most. So how could the Lancaster London build on the momentum of its current sustainability endeavors and realize its vision to be the happiest, the most caring and the most sustainable hotel in the capital? How could the Lancaster London accomplish this during the upcoming three-year refurbishment period project? An inclusive corporate culture was one of the Lancaster London's most valuable assets, and yet as a role model, how could she turn this soon-to-start challenging refurbishment period into a smooth and inspiring one whereby all her team members would feel more engaged, happy and committed to the care of everyone, now and in the future? If the hotel team achieves even a fraction of the harmony that the hotel bees at the hotel's rooftop honey farm appears to manage- in terms of an incredibly developed sense of output and teamwork- then the entire team would be proud and happy indeed.

While walking towards her office at this historical hotel, she also knew deep in her heart that if she ever were to leave a legacy as an hotelier, it would be the message that an efficient system of flexibility, teamwork and collaboratively would change the rules of the game and was the secret to no one having to sacrifice his or her entire life in the undeniably labour intensive hotel industry. Maybe the hotel's recent nomination for the Business School Lausanne's Business Sustainability Innovation Award and the academic Lancaster London case study would shed light on her 'how' questions.

As Sally eased herself into the chair in her office with a cup of freshly brewed tea, she grabbed the Lancaster case study that had been lying on her table for some time, and delved into it with curiosity. This is what she read:

## **INTRODUCTION**

In recent years, corporate sustainability has gained momentum in boardrooms across the world through a convergence of pressures from investors, customers, employees, citizens, governments and non-governmental organizations. Hotels, in particular, are squeezed between the push of legislation, the pull of consumer pressure groups and economic concerns related to cost savings (Goodno, 1994). As expectations from these stakeholders are shaped by current and future environmental and social challenges such as climate change, the effects of pollution on public health, scarce energy resources, water availability, social inequities and eroding trust in institutions, an increasing number of hotels have started engaging in some form of sustainability activity over the past few years. However, most hotels' approach to sustainability tends to focus on projects that impact the bottom line: minimizing waste, gaining resource efficiencies, incorporating energy alternatives or developing environmentally friendly products, services or processes (Chong and Verma, 2013). Only recently, some forward-thinking hotel companies have become aware of new opportunities inherent in social and environmental issues to create new corporate strategies and reshape their business models around what is called the 'triple bottom line' values in sustainability. These companies have been measuring success not only by profit, but in balance with environmental stewardship and social equity as well.

Although these sustainable companies develop new strategies and programs, or adapt existing products or services to address specific sustainability issues or stakeholders with improved triple bottom line value creation, they still seem to possess an 'inside-out' organizational perspective (Dyllick and Muff, 2013). Yet, in today's business context of increasing economic, social and environmental uncertainty, almost every organization is unsustainable to solve societal challenges alone. In this light, Dyllick and Muff (2013) make the case for a more meaningful purpose of business sustainability: to act as positive change agents of an interconnected ecosystem and start off with societal challenges through an 'outside-in' perspective.

Although such an ambitious systems building approach 'Doing good by doing new things with others' may look like an utopian idea, recent research findings suggest that companies can start with societal challenges, adapt to them, profit from them, and improve societal well-being (Network for Business Sustainability, 2012). In a recent report for the UN Global Compact, 84% of the 1,000 global CEOs surveyed agreed that business "should lead efforts to define and deliver new goals on global priority issues". But only a third said, "that business is doing enough to address global sustainability challenges" (The United Nations Global Compact, 2013). In today's business environment, sustainability is something that many companies are striving toward, but few (if any) have yet fully achieved.

Such a gap between the pursuit of corporate sustainability principles and actual sustainability performance may be due to the presence of varying definitions and understandings of sustainability, which have emerged in relation to organizations. These definitions vary on the extent to which they classify business sustainability as either mainly ecological concern (Shrivastava, 1995), or as social responsibility of a company (Carroll, 1999), or broaden the concept of business sustainability to integrate corporate economic activities with organizational concern about the natural and the social environment (Dyllick and Hockerts, 2002; Dunphy et al., 2003).

Sustainability typically addresses social, environmental and economic issues. However, sometimes governance issues or culture are added as further dimensions (Dyllick and Muff, 2013). Such a variety of definitions are likely to have created confusion and impediments in the pursuit and implementation of business sustainability, as corporate leaders and members find it difficult to interpret and operationalize the term (Faber et al., 2005). Similarly in the hospitality industry, hotels may have differing understanding, concerns and motivations for sustainability and thus, may exhibit different levels of business sustainability in their sustainability journey with regards to the interests of the common good.

While there are not only different levels of business sustainability, there is also a lack of clarity on how to best implement corporate sustainability in organizational practice (Daily and Huang, 2001). Several scholars posit that in order to fully respond to environmental and social challenges, companies will have to undergo significant cultural change and transformation (Post and Altman, 1994; Welford, 1995). The overarching idea is that companies will have to develop a strong culture of sustainability when moving towards business sustainability (Crane, 1995). Past research has mainly focused on the overall adoption of sustainability practices by companies and related classification schemes (Dunphy et al., 2003), with focus on external factors such as environmental regulation or pressures from customer groups and the community (Howard-Grenville, 2006). Several studies have identified internal organizational factors such as leadership commitment, employee/managers' values and beliefs, employee empowerment or reward systems, as crucial aspects for achieving corporate sustainability (Daily and Huang, 2001; Wilkinson et al., 2001). Recently, however, several recent studies have found links between top management support for sustainability and sustainability implementation or cultures of sustainability (Holton et al., 2010; Adriana, 2009; Angel del Brio et al., 2008; Dixon and Clifford, 2007).

In these studies, organizational culture is often cited as the primary reason for the failure of implementing organizational change programs. An organization's culture (and its underlying values and ideology of management) plays a vital role in fostering or hindering the implementation of sustainability initiatives. Different aspects of organizational culture may indeed suggest a parallel to the different levels of business sustainability. Thus, this case study not only sheds light on the Lancaster London's business sustainability level as a successful and significant hotel that strives to serve the common good, but also assesses its organizational culture as an important enabler of its successful sustainability implementation. In this case study, we pursue the following four research objectives:

1. Assess the business sustainability position of the Lancaster London hotel best practice policy in the hospitality industry.
2. Understand how the Lancaster London got to its current business sustainability position through transformational shifts in the organization and in its organizational culture.
3. Identify the organizational perspective/approach through which the Lancaster London addresses and resolves sustainability issues (inside-out vs. outside-in).
4. Contribute to a multiple-case analysis of a wider pool of sustainable companies from various industries, to facilitate an exchange of know-how among practitioners as well as between academia and the business world.

While exploring the above-mentioned issues, we harness Dyllick and Muff's (2013) Business Sustainability Typology (BST) (Appendix I) as the overarching framework to guide the case. Dyllick and Muff's (2013) Typology is particularly helpful as it guides companies to define their vision and mission inspired by today's and tomorrow's sustainability challenges and helps to understand business sustainability in terms of concerns,

processes (approach) and value creation, all of which have so far remained an under-explored issue in the sustainability literature.

Thus, in preparing this case study, we begin by conducting a review of the literature (Appendix II) on the phases of change towards sustainability in the hospitality industry. We refer to theories from institutional and sustainability research to understand the drivers that lead hotels to move beyond compliance into more complex and strategic stages that ultimately address sustainability challenges. Further on in the literature review, we channel our focus to the role of the organizational culture in order to better understand the transformational shifts at the level of sustainability initiatives and the organization as a whole. The literature study, coupled with our own interview and survey findings, serves as a tool to understand the different sustainability phases in the Lancaster London's sustainability timeline and the leverage points of its current sustainability strategy- its holistic vision and its focus on educational hospitality. Our own interview and survey findings are further assessed to describe Lancaster London's business sustainability position under the relevant criteria of the Dyllick/Muff Business Sustainability Typology. In addition, to complement our findings, we describe certain aspects of the Lancaster London's sustainability culture, which are assumed to support their current vision and sustainability implementation. Finally, to ensure sustainability of effort for the hotel's future sustainability endeavors, we conclude by analyzing the importance of aligning strategy with culture, followed by a summary of the relationship of our findings to the broader field of sustainability research and organizational culture.

While the findings do not allow us to make any definitive claims about how the organizational culture affects the financial performance of the Lancaster London, the survey and interview data are used to reinforce recent research about the significantly important role of the organizational culture in leading to Lancaster London's current sustainability achievements. Our first main finding suggests that the Lancaster London's overarching hotel vision starts with a societal concern, which is embedded in an 'outside-in' organizational perspective. The Lancaster London appears to create value for the common good through leading various sector-specific and cross-sectorial collaborations and relationships aimed at educational hospitality and increased capacity building in the hospitality industry –a critical societal challenge that needs to be resolved. This can be considered as the Lancaster London's positive contribution to society. Our second main finding relates to why this is the case. We find that the Lancaster London has a unique asset, which is its strong organizational culture of sustainability that has significantly contributed to its reputation as a sustainable hotel.

Our analyses suggest that in terms of its sustainability timeline, the Lancaster London's sustainability strategy has, over the years, evolved from a fairly generic, compliance-oriented strategy towards a more customized one that is driven by the demands of the markets where the hotel has a presence or plans to expand in the future. Complying with laws and regulations as well as with voluntary third party accreditation criteria, the hotel has successfully gained recognition as a sustainability landmark in the hotel industry. However, more recently over the past couple of years, the Lancaster London appears to have gone further to focus on not only decreasing negative environmental impacts and increasing stakeholder happiness, but also on increasing the hotel's positive contribution to society at large. This is a novel approach to translate sustainability challenges into business opportunities, making 'business sense' of environmental and social issues.

As far as the Lancaster London's current business sustainability level is concerned, it is interesting to highlight that although the Lancaster London appears to have been aligning its social, environmental and economic concerns with the Triple Bottom Line (people, planet, profit) values of sustainability in an integrated approach

with a broadened stakeholder perspective, it has gone beyond this phase to formulate a vision to serve the society at large. Its Vision Statement “We Always Care” emerges from a holistic societal concern, which replaces the industry’s traditional focus on guests. The value proposition clearly goes beyond the three dimensions of the ‘triple bottom line’ (people, planet, profit) to include a broader societal issue rather than pure three-dimensional concerns. The Lancaster London’s primary sustainability concern is on delivering educational hospitality. Some of the hotel practices related to educational hospitality involve engaging guests in eco-friendly or sustainable practices such as sustainable transportation and sustainable leaving, as well as forming sectorial/cross-sectorial level engagements. The latter further serves to increase capacity building that is much needed in the hospitality industry. The Lancaster London’s holistic vision and pursuit of educational hospitality certainly make a positive contribution to society, which makes it a truly sustainable and distinguished hotel in the industry.

In terms of organizational culture, the Lancaster London’s sustainability goals, initiatives and achievements appear to have come from values which each and every staff member truly believe in. Such a value-driven sustainability orientation justifies the hotel’s strong culture of sustainability. However, it is interesting to note that while a strong culture of sustainability prevails, in general, Executive/Senior Managers are more positive than Middle Managers who, in turn, are more positive than the Front Line Staff. This may indicate that top-level managers are likely to have the strongest sense of ownership of sustainability initiatives and commitment to sustainability because they are responsible for making the most critical decisions (including CSR decisions) and therefore would be likely to have a positive view of the policies they helped create. In addition, although the team members and their contribution are valued, this feeling of ‘being valued’ is more dominant among the males than among the females. This may be due to the relationship between perceptions of CSR/Sustainability and how ‘feeling valued’ differs for women and men, as extant research on employee perceptions of CSR show.

This case study draws attention to these differences in perceptions of the Lancaster London’s organizational culture and raises critical questions on how the Lancaster London can further synergize these perceived differences to align its strong culture of sustainability with its state-of-the-art vision. The case study contributes to one of several produced by the Business School Lausanne that aim to provide the best practice research evidence for practical problems. Extant research found instances where practitioner knowledge leads theory (NBS, 2010). Thus, this study is intended to form a piece of the puzzle that will help move Lancaster London as well as other sustainability-oriented hotels forward on the path toward becoming truly sustainable. On the academic side, this case study serves to the need for more comparison studies of best practice companies involved in various ‘levels’ of sustainability implementation.

## **METHODS**

### Rationale

In this case study, two interrelated methodologies were used to gather data on the Lancaster London. First, a Sustainability Culture and Leadership Assessment (SCALA) Survey was conducted both on-line and as hard copies to understand certain aspects of the Lancaster London’s sustainability culture, as well as primary elements of Dyllick/Muff Business Sustainability Typology in terms of concerns considered (inputs), the organizational perspectives applied (processes and approach) and the type of value created (outputs). Subsequently, the Typology was used as the overarching framework to craft semi-structured interview

questions that would provide a more detailed and clearer picture of the Lancaster London's business sustainability level in the sustainability journey. The study provides insights into the Lancaster London's business sustainability level and organizational culture and emphasizes the important role culture plays in successful implementation of sustainability strategies.

## Methodology

### ***The SCALA Survey:***

The Sustainability Culture and Leadership Assessment (SCALA) Survey was used as a support tool to assess and describe organizational culture and climate. The SCALA Survey was developed by Miller Consultants in 2012. Set up in 2010, Miller Consultants is a US-based consulting company, which specializes in sustainability research that focuses on the sustainability culture and sustainability leadership in corporations. The SCALA instrument is composed of items pertaining to culture and leadership. The items derive from a review of the public literature and interviews with thought leaders. To construct SCALA, data from across many surveys was gathered (Miller-Perkins, 2011). Thus, each item in the assessment is tied to a specific survey item or derived from a characteristic uncovered in previous research reviews. The assessment contains both sustainability-specific content as well as more general organizational climate content that has been found to impact the execution of sustainability strategies.

SCALA survey serves to contribute to research objective 2 in the 'Introduction', which aims to explore the transformational shifts in Lancaster London's timeline as well as in its organizational context. SCALA data helps to understand the impact of and changes in organizational culture and also serves to understand the overall business sustainability level and how it was achieved in research objectives 1 to 3. Collecting descriptive data through the SCALA Survey helps to understand how certain aspects of Lancaster London's culture supported or hindered the development of sustainability initiatives, as well as how these initiatives influenced its culture. It further helps to identify the hotel's capacity for executing progressive sustainability strategies.

The SCALA survey consisted of 4 sections and a total of 43 questions, of which the first 4 in section I were general questions on location, gender, age group and company position of the interviewees. The next 26 questions in section II were related to cultural characteristics on sustainability and correspond to research objective 2, while the following 11 questions in section III were related to business sustainability positioning of the hotel based on the Dyllick and Muff (2013) Typology; and correspond to research objectives 1, 2 and 3. Finally, the two questions in section IV explored an understanding of the hotel's Health & Well-being focus and do not literally correspond to any specific research objective, yet aim to understand a potential area of concern for the hotel, on which the researcher and the hotel could work together for a mutual learning opportunity as the next step. The questions in section II were further sub-categorized under organizational leadership (8 questions), organizational systems (4 questions), organizational climate (5 questions), change readiness (3 questions), and internal (3 questions) as well as external stakeholders (3 questions), respectively. As such, Section II questions serve to assess levels of change readiness to support sustainability initiatives, measure similar or varying perceptions across stakeholder groups, identify company strengths that can be leveraged to meet sustainability goals, and improve on areas of possible concern regarding sustainability goals. The survey used a mixture of semi-open, open and mainly Likert scale questions.

The sample was chosen from the entire 465 hotel staff that included both permanent and casual staff (temporary) members. The response rate was 104 (22%), of which 13 were covered online and 91 were hard copies. This is more than the expected 20% average response rate for similar surveys. The survey was

administered online for the management team, and as hard copies for supervisors and frontline staff for ease of following up the survey turnarounds by the Marketing Manager. The survey was conducted in April 2014.

The SCALA survey yielded quantitative data that complemented the qualitative data from semi-structured interviews and the literature review. The statistical analysis was done through SPSS. The findings served to characterize the hotel’s sustainability culture and leadership profile, and were also analyzed with regard to differences in position. The three different position levels identified were: Executive/Senior Managers, Middle Managers (Department Heads) and Front Line Staff. Understanding organizational culture by position level was essential; as previous research shows that those at the highest levels in the organization have the most positive impressions of their companies’ CSR or sustainability initiatives (Stawiski et al., 2010).

**The Interviews:**

The interviews aimed to explore Research Aims 1 to 3 to shed light on the business sustainability position of the Lancaster London in detail. The sample for the interviews was chosen from lead hotel staff employed at the Lancaster London and the hotel’s external stakeholders, who appeared to have extensive knowledge of and engagement in the hotel’s sustainability initiatives. The interviews were preceded by an initial phone interview with the General Manager of the hotel as the key informant. The researcher further worked in collaboration with the Marketing Manager in choosing interviewees, based on their level of experience and engagement in the sustainability initiatives. The total number of interviewees listed was 13. Of this 10 participated in the study. Some of the potential interviewees were not available as they were off duty or unavailable. The interviews were ultimately conducted with eight organizational leaders (hotel manager, department heads, CSR committee members) and two external stakeholders. The following is a detailed list of the interviewees:

NAME	TITLE	YEARS OF ENGAGEMENT WITH LANCASTER LONDON’S SUSTAINABILITY INITIATIVES
Clare Wright	Director of Procurement, Environment and Sustainability	More than 5 years (24 years)
Oliver Darwin	Risk and Procurement Manager	3-5 years
Jo Hemesley	Senior Corporate Sales Manager	More than 5 years
Louise Pitcher	Marketing Manager	1-3 years
Aideen Whelehan	HR Manager	1-3 years
John Firrell (External stakeholder)	Director of Considerate Hoteliers Association	More than 5 years
Alex Debebe	Assistant Chief Engineer	3-5 years
Sally Beck	General Manager	More than 5 years
John Sweet (External stakeholder)	Renovation Project Manager	3-5 years
Margo van der Werf	Executive Housekeeper	3-5 years

**Table 1:** Interviewee List and their Engagement with the Lancaster London

As can be seen from the list above, eight of the ten interviewees have a minimum 3 to 5 years of engagement with the hotel’s sustainability initiatives and thus were able to easily provide invaluable insights into the

hotel's sustainability orientation towards addressing societal challenges over the past few years. The interviews were conducted in a pre-assigned meeting room on the hotel premises. They were administered in person from May 5th-May 7th 2014. Prior to the interviews, interviewees were contacted by the Marketing Manager in charge of the case study and were provided an outline of the interview question topics. Each interview lasted approximately 50 minutes.

During the interviews, detailed notes were taken on the Interview Guide, which entailed categorized second-guessed responses that derived from the literature study. The interview questions in the Interview Guide were based on the Dyllick/Muff Business Sustainability Typology and were divided into four general themes, as identified from the literature review and expert faculty review. The first part of the interview covered the general attitudes towards sustainability such as the understanding of sustainability and sustainable business practices. The second part attempted to identify the type of business sustainability in terms of concerns and the type of value created. The third part of the interview explored the current sustainability practices and future plans in resolving sustainability issues. Finally, the fourth part expanded on the hotel's approach (inside out vs. outside in) to address and resolve sustainability challenges, with regard to strategic focus and implementation. For a smooth read, the interview and the SCALA survey findings are presented in a dispersed rather than concentrated manner (listed) throughout the case study.

## **A SUSTAINABILITY LANDMARK: THE LANCASTER LONDON HOTEL**

***"It is the sustainability of effort that counts in sustainability."***

Sally Beck, General Manager, Lancaster London, 2014

Opened in 1967, the Lancaster London is one of three prestigious London hotels in the Thai hotel management company, the Lancaster Landmark Hotel Company Limited that specializes in the luxury hotel market sector. The Lancaster Landmark Hotel Company Ltd is both the owner and the operator of the Lancaster London, as well as its two sister hotels, the Landmark London and the K West Hotel & Spa. The group prides itself in offering outstanding facilities along with a high level of service, and being one of UK's leading sustainable hotels. The Lancaster London is officially, the AA1's most sustainable hotel in London. In 2013, Lancaster London turns over £28.4 million and employs over 400 people.

Conveniently situated in the center of London directly overlooking the Italian Gardens in Hyde Park and within walking distance from Marble Arch, Oxford Street and Paddington Station, the Lancaster London is within easy access of the Heathrow Express, enabling guests to be at Heathrow Airport in just 15 minutes. In addition to its central location, the four-star-deluxe Lancaster London has been a well-known feature of the London skyline. Its 416 bedrooms have superb views over the Park and the London Townscape and feature all modern amenities such as beautiful oak furniture, deep pile carpets, exquisite marble bathrooms and high-speed internet access. The rooms offer the ultimate in relaxation and are designed to be the ideal environment for business and leisure travellers. The Lancaster London is one of Europe's largest and most flexible meeting and banqueting venues. Its 15 conference rooms have the ability to cater for a variety of events, from small

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<sup>1</sup> The AA is the only pan-Britain assessing organization and is the British Hospitality Association's Patron Supplier for quality rating and assessment to the hospitality industry. In collaboration with Visit England, Visit Scotland and Visit Wales, the AA has developed Common Quality Standards for inspecting and rating hotels and guest accommodation through the AA accommodation scheme.

business meetings to large receptions for up to 3000 people. The hotel is best known for its award-winning events rooms: The Nine Kings Suite and The Westbourne Suite. These two principal function suites, each accommodating up to 1200 guests, are well-known venues for the most prestigious conferences, award ceremonies, meetings and dinners. In addition, the Forest Suite is a collection of contemporary meeting, conference and syndicate spaces, catering for up to 200 guests.

The hotel also boasts two restaurants; Nipa which serves authentic Thai cuisine, and the award-winning Island Grill, with its Three Star rating by the Sustainable Restaurant Association, which serves contemporary British and European dishes. Nipa Thai combines outstanding traditional cuisine with subtle authentic décor with a warm and welcoming ambience, bringing the soul of Thailand to London. It is one of an elite selection of Thai restaurants in the UK to have received the 'Thai Select' award from the Thai Government for restaurants that have achieved the highest standards of quality and cuisine. As for Island Grill, it offers an excellent selection of Modern European dishes, cocktails and wines to suit every taste and appetite within its stylish and contemporary interiors that boast superb views across neighboring Hyde Park.

The Lancaster London has long been aware of the necessity of delicately balancing its guests' well-being with avoidance of perceived hardship and thus has been faced with the challenge of ensuring consistent quality while at the same time innovating through sustainability. The £11.5 million sustainability refurbishment in 2011 is a good example of the Lancaster's sustainability endeavors to innovate and pioneer sustainable development in hospitality. In 2011, the hotel went through a Nine Kings Kitchen Project of the ballrooms, commercial kitchens and Loading Bay. While the catering capacity of the Nine Kings Suite and the Westbourne Suite were increased to 1200 people, kitchens were refitted with energy efficient equipment. The kitchens were refitted with the following state-of-the-art 'green technology': Meiko dishwashers were fitted with integral reverse osmosis pumps that recycle heat; new coffee makers were put into use to produce coffee on demand without the need to keep water on the boil; storage areas were chilled with flexibility to turn into ambient storage to save power; motion sensor lights were installed and extractor canopies with KSA multi-cyclone grease separator filters were installed, to separate cooking grease from the smoke, allowing it to be collected and recycled. The kitchens were re-made to run only on electricity.

CSR has been an integral part of Lancaster London's vision "We Always Care", which derives from hotel values (Lancaster London presentation, 2014). The hotel values are broken down into 8 categories:

- 1) We care about our happiness, and the happiness of others.
- 2) We care about being true to others and ourselves.
- 3) We care about facts and facing situations.
- 4) We care about engaging hearts and minds.
- 5) We care about providing an exceptional hospitality experience at every touch point.
- 6) We care about performance and solutions.
- 7) We care about praising and acknowledging success.
- 8) We care about the environment and the future (sustainability).

As can be seen, all of the 8 values embody what CSR represents, which is about caring for guests, employees, community and the planet. The Lancaster London's vision truly highlights the significance of caring for the well-being of everyone on the planet to ensure sustainability for present and future generations. The

Lancaster London's values-based sustainability orientation is further reflected in the interviews held with the Lancaster team as well as various external stakeholders. To understand general attitudes towards sustainability, interviewees were asked about what sustainability and sustainable business practices mean to them, as well as what they thought would be the best way to implement sustainable business practices and why.

As the interview findings suggest, almost half of the interviewees (4 out of 10) think that sustainability is part of their personal values and lifestyles. While one interviewee mentioned that it is both compliance as well as personal life, another interviewee mentioned that it is part of her professional life. Other personal definitions of sustainability were: "All things green", "Protecting the environment: protecting your own people and developing them", "Harmony between humans and nature; finding a balance between the two", "Being able to continue with less resources", and "Legitimization as well as viability". When asked to describe the meaning of 'a sustainable business practice', three interviewees mentioned resource-efficiency and green practices whereas another three interviewees mentioned making value chains more sustainable and educating customers/employees/suppliers about sustainable practices. Furthermore, while one interviewee described it as "At least being neutral", another description of a sustainable business practice was "being sustainable in the connection and effort level, as well as understanding sustainability of effort", with two others having described it as balancing economic, social and ecological value. As can be inferred from these findings, many of the senior management team buys into sustainability from a values-based personal viewpoint; yet when it comes to understandings of 'a sustainable business practice', the definitions are quite varied.

The Lancaster London believes that it is possible to do well by doing good to others, and runs an active and energized CSR committee, both to drive their existing policies and to seek new initiatives. The hotel works together with various stakeholders such as suppliers, business partners, employees and the local community.

The Lancaster London further promotes sustainability and awareness of green issues simply by leading through example. Honey and bees, for instance, are a key part of the Lancaster London's desire to communicate its sensitivity towards the ecosystem issue. The hotel's Rooftop Honey Farm reflects the hotel's concern for the decreasing bee population in the wider ecosystem, and the annual London Honey Show is a very good example of forming a next-practice platform with the bee and food industry to create awareness of this sustainability issue. Similarly, the hotel works with and rewards like-minded sustainable suppliers that also respect their local environment and community. The Lancaster London's vision statement 'We Always Care' derives from a holistic worldview that sets the stage for the hotel's sustainable business operations and proactive engagement in the hotel industry. The hotel successfully engages in setting CSR standards in the industry and changing the rules of the game, rather than reacting to established industry norms. This is evident in the various interconnections established across its value chain: the new 'green product' such as the Bee Green Package, the launch of the Lancaster London Community Consortium, the Lancaster Academy founded in partnership with the Institute of Leadership & Management, and the launch of the Hotel Apprenticeship Scheme in collaboration with other hotels. All these initiatives demonstrate the Lancaster London's pioneering sustainability efforts at the sector-specific as well as cross-sectorial levels.

Thus, the hotel has gained recognition within the industry, along with top sustainability awards including: 'Considerate Hotel of the Year'<sup>2</sup>, 'Hotel Cateys' Green Hotel of the Year<sup>3</sup>, 'Green Tourism for London Gold<sup>4</sup>',

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<sup>2</sup> Considerate Hotel of the Year award recognizes the best all-rounder in environmental, sustainable and socially responsible performance within the UK's and also for the first time within the International hotel industry. This is the

and ‘Sustainable Restaurant Association 3 Stars<sup>5</sup>’, to name a few. These notable results, coupled with the leadership commitment of its management team and its central London location that fueled its business growth over the years, are further believed to have contributed to the hotel’s strong sustainability orientation in the hospitality industry. They have contributed to the hotel’s strong sustainability orientation in the hospitality industry. In the interviews held with the Lancaster London’s stakeholders, higher company profile and enhanced reputation (cited 3 times), increased marketing communications such as press releases (cited 3 times), and increased employee commitment and engagement (cited 3 times) were cited most often as the contribution of these various awards to the hotel business, followed by improved and broadened stakeholder relationships (cited 2 times).

The Lancaster London’s increasingly better financial performance and business growth over the years, was also cited as a contributing factor to its strong sustainability orientation. A majority of the interviewees (cited 7 times) mentioned that the hotel’s sustainability initiatives did not hinder the hotel’s financial performance; further stating that, on the contrary, it favored the conditions and resources for its sustainability investment. However, the General Manager mentioned that although sustainability increased their short-term costs and return on investments (Mandatory Carbon Reduction Commitment payments, for instance, averaged £77,000 in 2014-2015, as compared to £41,000 per year during 2011-2014. The payments are further expected to increase in line with inflation afterwards), it started paying off in terms of public relations and cost reductions in the long-term.

## **THE LANCASTER LONDON’S SUSTAINABILITY JOURNEY**

### Investing in ‘Green Technology’ and ‘Philanthropic’ CSR

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ultimate award presented by Considerate Hoteliers Association to the hotel or guesthouse that engages in a wide range of environmental initiatives from water conservation, waste reduction and support for sustainable food, to CSR.

<sup>3</sup> The Caterer and Hotelkeeper awards, or the Cateys are a UK award ceremony for the hospitality industry, first held in 1984. They have been described as the hospitality industry's equivalent of the Oscars. Recipients are nominated, selected and awarded by the industry through Caterer and Hotelkeeper magazine. Hotel Catey Green Hotel of the Year award recognizes the greenest hotel as one of its categories.

<sup>4</sup> Green Tourism for London is a business development model that is being pursued by the government of the United Kingdom. The aim of Green Tourism for London is to promote the development of environmentally friendly tourism options and to enhance buildings to meet tightening green standards. It is one of many programs that have grown out of the Green Tourism Business Scheme. The Gold Award is the highest standard a business can achieve within the GTBS scheme and is only awarded to businesses that have demonstrated excellence in sustainable tourism.

<sup>5</sup> Sustainable Restaurant Association (SRA) stars are three potential ratings of the SRA that examine restaurants in 14 key focus areas and provide detailed evidence to support their answers across three main sustainability categories – Sourcing, Environment and Society. The ratings are carried out online and overseen by expert SRA assessors as: One Star, Two Star and Three Star Sustainability Champion. Restaurants that achieve Champion status are flagged up online in the Restaurant Guide and the good news is shared with the press, restaurant guides and critics. The Sunday Times calls them ‘The Michelin Stars of Sustainability’ and any business serving food anywhere on the planet can get an independent Sustainability Rating.

Given the competitive nature of the hotel industry and the associated difficulty of increasing revenue, the potential for reduction of operating costs provided a compelling first incentive for the Lancaster London to consider investments in environmental technologies.

As a forward-thinking independent London hotel that sensed first-mover advantages in environmental initiatives, the Lancaster London set sail on the sustainability journey in 2005, with the launch of its Green Team. The Green Team introduced Green Week and started contacting charities. Having realized that the legislative burden for greater sustainability will only increase over time such as carbon levies on energy bills, mandatory carbon reporting for listed companies and the Carbon Reduction Commitment, the Lancaster London believed it was good business sense to implement sustainability strategies, especially with regards to energy. Thus, in 2005, the hotel voluntarily decided to take part in the Carbon Trust Audit, and consequently started bottle and cardboard recycling.

In 2006, in addition to its ongoing recycling initiatives, the Lancaster London started off with small-scale carbon management practices. In parallel to these environmental practices, the hotel started 'philanthropic' CSR such as charity fund-raising with London Air Ambulance, the Passage and St Mary's hospital mainly through the initiative Bring & Buy Sales. Also, Purchasing Manager's Forum and Green Days were started with environmental guest speakers, which enabled networking with academia.

The Year 2007 marked capital expenditures on green initiatives when energy-saving bulbs in all guest bedrooms and inverters on pumps were installed as part of the Inverter Project that was started for the installation of Variable Speed Drives to hotel pumps and motors which were 3Kw and above. All heating and cooling pumps were replaced as well as all tower block windows. In the same year, the Lancaster London also started working with education institutions: The Metropolitan University did an environmental project with the hotel, and relationships with hotel schools such as the Noorderpoort and the Hotel School Lausanne were built.

The Lancaster London is one of the most environmentally friendly hotels in the capital and ensures its actions match its philosophy: 'to walk softly on the planet'. Under "We always care about our impact on the Environment", the hotel successfully redefined productivity in the value chain by engaging in energy monitoring and reduction, water reduction, waste reduction, recycling and reusing products, pollution, sustainable sourcing, honeybees and food mileage. The hotel has taken a very thorough approach to energy saving practices, reducing landfill waste and increasing recycling. Behind the scenes, presently, there are weekly staff meetings to monitor recycling and wastage targets and brainstorm new energy saving measures. The £11 million sustainability refurbishment of the hotel's events spaces and commercial kitchens in 2011 saw the implementation of the latest green technology and created state of the art, energy efficient kitchens and banqueting facilities. For instance, the dishwashers were changed to have integral heat exchange pumps to reheat the water coming into the machines, thereby saving energy.

The following is a categorized overview of the Lancaster London's sustainability-related organizational management and processes that constitute the building blocks of its green technology to date:

### ***Energy-efficiency***

Regarding energy, the Lancaster London's initiatives include investments in electric metering, use of LED lighting in ballrooms, all electric events kitchens, motion sensors on Salamander grills and installation of inverter units on pumps and motors. The Engineering department monitors the hotel's energy consumption

weekly and can take appropriate action to achieve energy reduction. The hotel currently has an energy reduction target of 5% on a yearly basis. In an effort to achieve this target, the boilers were changed and the plant replacement project was started in 2013. The hotel has now a sophisticated Building Management System, which optimizes the efficiency of the hotel's boilers, and monitors controlled temperature settings.

#### ***Water reduction***

Low flow showers and basin taps; taps and urinal sensors in the guest rooms and public toilets, a water bottling system as well as the replacing of all dishwashers with integral reverse osmosis pumps all demonstrate the Lancaster London's concern over saving water.

#### ***Waste reduction, recycling and reusing products***

The hotel has achieved zero landfill by collaborating with WRAP, a waste management company. voluntary the Hospitality and Food Service Agreement that aims at the reduction of food and packaging waste, proactive menu management and plate waste in the staff canteen. All glass; paper, plastic, cardboard, cooking oil and food are meticulously separated and recycled in the hotel-loading bay.

#### ***Pollution***

The Lancaster London is mindful to only use water based paints for all decoration works. Furthermore, the hotel uses the correct disposal procedure for all its electrical and electronic waste under the WEEE directive<sup>6</sup>.

#### ***Sustainable sourcing***

The purchasing procedures support the hotel's sustainable sourcing strategy, which includes food, beverages and, as far as reasonably possible, all other products. Most food is sourced through local suppliers except where special products are required, as in the case of the traditional Thai Restaurant, Nipa Thai. Similarly, the cheese served in the Island Grill Restaurant is only bought from producers within a 100-mile radius. The hotel is also mindful of the number of deliveries received each week, and strives to eliminate all packaging waste in favor of reusable packaging- for all deliveries. The hotel cares for the well-being of its employees by providing a well-balanced diet in the Canteen, with choices of freshly prepared dishes using local produce.

As can be seen, for the Lancaster London, sustainability does not appear to be limited to water, energy and food waste, which are mainly seen as conventional 'green' or environmental practices. In addition to environmental initiatives related to water, energy and food waste in its value chain, the Lancaster London also proactively engages in other sustainable hotel practices such as sustainable sourcing, sustainable purchasing and disposal.

### **From 'Green' toward 'Sustainable' with a broader stakeholder focus**

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<sup>6</sup> The Waste Electrical and Electronic Equipment Directive (WEEE Directive) is the European Community directive 2002/96/EC on waste electrical and electronic equipment (WEEE) which, together with the RoHS Directive 2002/95/EC, became European Law in February 2003. The overall aim is for the EU to recycle at least 85% of electrical and electronics waste equipment by 2016

Sustainability is a multi-faceted journey and thus requires 'cross-pollination' among various stakeholder groups. This involves taking care of stakeholders in the value chain, voluntary partnerships and memberships to third parties such as various accreditation bodies, to achieve productivity as well as to enable and strengthen the infrastructure surrounding business operations. Having realized this, the Lancaster London's drive to be more efficient has been extended from the hotel operations to all components in the value chain. In 2008 the Lancaster London signed up to the Green Tourism Business Scheme (GTBS)<sup>7</sup> and a 'bronze' award was achieved. Launched in 1997, GTBS is the only green business certification program validated by Visit Britain, the country's official tourism organization. The mission of the GTBS certification criteria is "to offer guidelines to tourism businesses on how to make their operations more sustainable while still delivering a high quality service". The four levels of certification under GTBS are: Going Green, Bronze, Silver and Gold. The scheme assesses properties every two years based on criteria that are divided into ten areas and hit upon 150 measures. Similarly, the hotel received 'bronze' with Visit London Awards 2008 for the Sustainable Tourism Award. Departmental energy use and waste streams have begun to be monitored; the inverter project continued and a sub-metering electrics project was started to measure each outlet and benchmark individual areas.

In 2009 the Green Team was reformed into the Environmental and Energy Task Force and started off with an energy awareness and an energy poster campaign. The hotel started collaborating with Carbon Clear, a leading UK-based carbon management firm, which compiled historic carbon footprints for the years 2005/2006 and 2006/2007 to assess Lancaster London's readiness for the Carbon Trust Standard (CTS). The hotel went 'silver' with GTBS, installed 5 hives and set up a honey team mentored by a famous bee expert. Collaboration with the Considerate Hoteliers Association (CHA) also commenced and flow restrictors on guest showers and taps were installed as additional initiatives. Consequently, flow rates were reduced from 12-14 liters per minute to 6-8 liters per minute. This was then extended to public toilets and included urinal sensors.

As the Lancaster London's sustainability timeline suggests so far, the hotel appears to have gone beyond compliance to reduce costs and business risks. Collaborations with the GTBS, Carbon Clear and CHA all are examples of the hotel's voluntary initiatives to align with various stakeholder groups in the sustainability journey. The hotel believes that their awards serve to fuel their energy and passion keeping them focused on their sustainability initiatives and their continuous measurement as voluntary members of sustainability-driven associations (Clare Wright, Lancaster London, 2013).

#### Pursuing a 'Triple Bottom Line' approach

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<sup>7</sup>The Green Tourism Business Scheme (GTBS) is an outgrowth of an understanding the government of the United Kingdom has that sustainability is not a trend that is going away. The scheme has led to the development of a number of very popular green tourism initiatives including Green Tourism for London. The Green Tourism Business Scheme (GTBS) award recognizes places to stay and visit that are taking action to support the local area and the wider environment. It is the largest sustainable (green) scheme to operate globally and assesses hundreds of fantastic places to stay and visit in Britain. Businesses that meet the standard for a GTBS award receive a Bronze, Silver, or Gold award based on their level of achievement. Areas that a business is assessed on include Management and Marketing, Social Involvement and Communication, Energy, Water, Purchasing, Waste, Travel, Natural and Cultural Heritage and Innovation. The Gold Award is the highest standard a business can achieve within the GTBS scheme and is only awarded to businesses that have demonstrated excellence in sustainable tourism.

In 2010 the Environmental and Energy Task Force was reformed into the Eco Initiatives Group, which came up with a logo and a guest booklet entitled 'Conserving Our Resources'. Proactive initiatives such as a jogging map for guests were produced and distributed and a waste audit was initiated. The Lancaster London was further accredited with the Carbon Trust Standard (CTS)<sup>8</sup>. The Westbourne kitchen project was started in parallel to energy-saving initiatives through reduction of the number of corridor lights and the installing of LED lights and motion sensors in public toilets. To enhance employee well-being, a Cycle to Work Scheme and a mentoring program with Oxford Brookes University were introduced. The Lancaster London received the Investors in People Bronze Award.

In 2011 the hotel went Gold with GTBS. This was an outcome of the £11.5m investment in the Westbourne and Nine Kings Kitchen Projects with an upgrade in modern technology by installing, in cool and hot areas, efficient fridges, cookers and dishwashers. Food packaging was reduced through decanting into the hotel's own containers. In 2011, the hotel had 6 tons of waste equivalent to 51 Routemaster double decker buses, yet by working closely with Veolia on a waste management system, the Lancaster London has had financial savings of almost £13K since 2011. Regarding disposal, since 2011, the hotel has had no compactor to separate the waste streams. Currently, the Lancaster London's waste management initiatives completely offset their carbon emission as the hotel avoids 249% more CO<sub>2</sub> emissions than it would have otherwise generated (2013 Veolia Case Study, Evidence 7.2). Recycling of all food waste was initiated, and nose-to-tail dining <sup>9</sup>aimed at zero food waste was introduced. The Lancaster London organized the 1st London Honey Show on the hotel premises. Five more hives were added and a Kitchen Apprenticeship Scheme was launched under the People Initiatives<sup>10</sup>. The Lancaster London further introduced the eco-project of sustainable table decorations in Island Grill, whereby the traditional freshly cut flowers were replaced with living pea shoots. Pea shoots embody sustainability and waste reduction as they can be harvested in just 2-4 weeks and unlike the flowers, they continue to grow and flourish in front of guests' eyes. On the CSR side, the hotel raised about £1448 for the Hospitality Action by adding a discretionary 1-pound to guests' bills. Prior to that, the hotel used a similar method to fund raise for the local homeless charity – Sleepsmart.

The Lancaster London started working with sustainable suppliers and partners to develop eco-friendly raw materials and other components, as well as reducing waste. The hotel works closely with their suppliers and a Preferred Supplier List (PSL)<sup>11</sup> to ensure the traceability of all produce purchased. The Lancaster London

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<sup>8</sup>The Carbon Trust Standard for Carbon is a voluntary certification and mark of excellence that enables all organizations to demonstrate their success in cutting their carbon footprint and gains a competitive advantage. Carbon Trust Certification is widely considered as the world's leading certifier of organizational carbon footprint reduction.

<sup>9</sup> 'Nose to Tail Dining,' a term seemingly coined by British chef and restaurateur, Fergus Anderson, involves food preparation using as much of the entire animal (or plant) from nose to tail as possible. Chef Anderson, author of the book, 'The Whole Beast: Nose to Tail Eating,' owns St. John, a restaurant in London where according to Amazon.com 'he serves up the inner organs of beasts and fowls in big exhilarating dishes that combine high sophistication with peasant roughness.'

<sup>10</sup> The People Initiatives are initiatives of the Lancaster London, which aim at developing the Lancaster London team members as well as colleagues in the hospitality industry. Other initiatives include developing suppliers, setting up the Lancaster London Academy and launching of the Lancaster London Community Consortium.

<sup>11</sup> Preferred Supplier List (PSL) entails suppliers that are preferred in terms of businesses that an organization or a company may wish to work with. The suppliers can become 'preferred' in a number of ways: either a company may have used them before, or they may have approached a company with background on their proposition, or a similar company may have recommended them. 'Preferred' suppliers are tested through structured appraisal, evaluation and regular benchmarking on price and performance. Although PSL does not in itself guarantee a level of business, it should be

believes that product traceability is very important to reliability as traceability provides the ability to identify and track a product or an ingredient to its point of origin. As such, the Lancaster London arranges routine visits to farms where it sources its produce, mindful of food miles (number of deliveries), local sourcing and conserving natural resources such as fish. The hotel also strives to generate its own produce as much as possible. The hotel chefs, for instance, make their own jam, compotes and honey- which are used in all the hotel restaurants. Prospective suppliers are scrutinized to see if they too respect their local environment and community. The hotel favors working with suppliers who provide re-usable packaging- considered even better than recycling.

In 2012 collaboration with suppliers was initiated to decant return packaging on delivery. While the hotel created awareness of the importance of local sourcing through farm visits that demonstrate how food is produced, it also created awareness of conserving natural resources such as fish through its Kitchen Apprenticeship Program. Similarly, Food Miles is a vital concept in the planning and purchasing of the Lancaster London's supplies: the hotel currently ensures that what they buy comes from local and sustainable sources wherever possible- like the cheese served in the Island Grill. The '100-mile radius' policy is not the case in the Nipa restaurant where local sourcing is limited due to the Thai concept of the restaurant where ingredients for the menu items require importing all the way from Thailand. Buying seasonal is a top priority and purchasing is taken seriously in the form of careful ordering, bulk buying, and close collaboration with the kitchens.

Having realized that sustainability is more than cost savings and increased corporate reputation through CSR activities, the Lancaster London has proactively taken steps in making sustainability a respected and integrated business issue. The hotel's vast array of stakeholder dialogues from guests to suppliers to the local community plays a significant role in this integration of sustainability. For instance, the Lancaster London has successfully seen the fact that a sizable number of hotel guests prefer eco-friendly offerings and thus developed new products such as the 'Bee Green Package': In addition to the traditional meeting room hire with no overnight stay (09.00-17.00 currently), flipchart and stationery add-ons, the package includes 3 servings of fair-trade tea/coffee and biscuits, seasonal working buffet lunch, house bottled water and a carbon offsetting option for all meeting delegates. The hotel's development of this product was a consequence, not just a side effect, of its business activities and its deliberately defined goals and programs addressing the sustainable living culture of its environmentally conscious guests.

As a forward-thinking hotel that makes 'business sense' of sustainability issues, the Lancaster London also took on a proactive and collective approach toward the need for increased capacity-building in the industry, such as employee growth, diversity and inclusion, supplier relations and development, as well as knowledge sharing with the industry. 'We Seek to Grow Our Own People' is an example of the hotel's Human Resources (HR) goals relating to the vision 'We Always Care', which aims to provide a safe and inspiring environment for the Lancaster London staff giving them every opportunity to grow and develop.

The Lancaster London's proactive approach to sustainability implementation is also reflected in the interviews held with various managers, where the majority of the interviewees (8 out of 10) think sustainability implementation is purely a business responsibility rather than the responsibility of the public sector or third parties. They personally see sustainability and CSR as growing in the consumer consciousness and would like

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thought of as a guide when considering a sourcing strategy.

to act ahead of new legislation to be able to determine the rules of the game well in advance. As far as their justification for seeing sustainability implementation as a business responsibility was concerned, while six interviewees mentioned the business opportunities inherent in environmental and social issues, four interviewees highlighted the advantages inherent in new business models, facilitated through sector-wide or cross-sectorial collaborations with others.

The Lancaster London team is well aware of the environmental and social issues in “We always care”, as well as the future concerns they feel they should address. In the SCALA survey, support for charities, local community engagement, support for youth unemployment and the Apprenticeship Scheme were the most widely mentioned social issues that respondents believed the hotel addresses especially well. Other social issues that were mentioned were diversity, social equity, improving the quality of life and well-being. Furthermore, supporting old people, helping war victims, addressing food shortage and all sorts of volunteering work were mentioned as social issues that the hotel is not currently addressing but that they wished it would address. All these issues mentioned truly relate to the Lancaster London’s social concerns.

Regarding the environmental issues that the hotel addresses especially well, recycling was the most widely cited issue in the survey, followed by waste management, sustainable food sourcing and energy, respectively. Furthermore, beehives on the roof as well as the impact of hotel operations on the environment were cited among the environmental issues the hotel also addresses well. When asked about the environmental issues that the hotel is not currently addressing that the respondents wished the hotel would address, making use of natural energy sources (alternative energy, solar energy) was the most widely cited issue. Further suggestions to address other environmental issues were: using the Sustainable Restaurant Association’s criteria for the hotel’s conference and event business; sustainable furniture purchasing throughout the hotel and consistent reduction in business mileage by sales colleagues and recycling in smaller outlets. All these issues mentioned truly relate to the Lancaster London’s environmental concerns.

Although the Lancaster London balances economic, social and environmental dimensions of sustainability to a certain extent; and invents, produces and reports measurable results in well-defined sustainable development areas (energy and water saved, carbon emissions avoided in waste management, CSR donations raised) while doing this in an economically sound and profitable way, it goes further than this triple bottom line approach and successfully redefines its ‘hospitality’ core business around the above-mentioned environmental and social issues- as will be elaborated on in the following section.

### Transcending into re-organizing around societal issues

In 2012, the Lancaster London made a giant leap and transcended into a phase where its organizational perspective shifted from an ‘inside-out’ organizational perspective to an ‘outside-in’ one. Through this new organizational perspective, the Lancaster London was able to focus on several societal issues within its span of operations. The hotel wanted to increase awareness for the decreasing bee population, the relatively less skilled and qualified labor prevalent in the hospitality industry and sustainable living among its team members and guests. To address and tackle these relevant societal and environmental issues, the hotel preferred to focus on a strategy to deliver educational hospitality through which it could make a positive contribution to society.

As a first step, the Eco Initiatives Group was reformed into the CSR Team to increase the span of sustainable operations and address a wide range of social issues through more industry collaboration and various

philanthropic CSR projects. The restructuring of the Green Team to the current CSR Team is a good example of the hotel's reorganizing process as it endeavours to tackle sustainability challenges and, in that sense, requires a mindset and passion for a holistic sustainability perspective that is more than the 'business case for sustainability'.

Year 2012 was an amazing year for awards received, which included: a Gold star with GTBS, the Caterer & Hotelkeeper's (Catey) Green Hotel of the Year 2012, a Green Tourism for London Gold, the Considerate Hotel of the Year 2012, the Sustainable Restaurant Association's 3 stars for the Island Grill Restaurant, an Investors in People Gold Award and CTS Certification. The Preferred Hotel Group's Great Initiatives for Today's (Tomorrow's) Society (GIFTTTS) recognition and awards program recognized the Lancaster London for their work with 'Community, Environment and Philanthropy'. Despite the multitude of awards received, the hotel continued its sustainability initiatives: hosted the 2nd London Honey Show, installed electric charge points in the Car Park as well as a water bottling plant. The Hotel Apprenticeship Scheme was also launched in the hotel kitchens.

More recently in 2013, implementation of ISO 14001 12 standards became the Lancaster London's big area in environmental sustainability. Furthermore, as part of the voluntary Hospitality and Food Service (HaFS)<sup>13</sup> Agreement with the UK's Department of the Environment and the Food and Rural Affairs (DEFRA)'S Waste & Resources Action Program (WRAP)<sup>14</sup> baseline data for the year 2012 were fed into the relevant portal. The Lancaster London has been aware of the UK Government's plan to develop a comprehensive Waste Prevention Program by the end of 2013 under the Climate Change Act 2008, which targets emissions be cut by at least 34% by 2020, and 80% by 2050- below the 1990 baseline. In England, the Review of Waste Policies, published on 14th June 2013, makes a commitment to the development of Rural Development (RD) for the hospitality sector, to identify those areas with high carbon impact, namely food and packaging waste in the hospitality sector. However, in addition to the various policy measures, the Lancaster London has also been well aware of the fact that dealing with waste sustainably creates opportunities for business growth and cost savings across the UK economy (Lancaster London WRAP Presentation, 2013).

Thus, the Lancaster London started collaborating with Veolia, an environmental services company, which prepared a Green House Gas (GHG) report on the Lancaster London and found that its overall carbon performance ratio was 2.49. This showed that the hotel avoided more than twice as many CO<sub>2</sub> emissions than it generated. As can be seen, the environmental performance of the Lancaster London's waste management is very encouraging as the emissions released are completely offset by the material and energy recovery benefit. A Veolia Case Study was also done on the hotel's recycling and waste management provision. The study demonstrated that the Lancaster London recycles 69% of all its waste, with 31% still going into general waste.

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<sup>12</sup> ISO 14001 is the corner stone standard of the ISO 14000 series. It specifies a framework of control for an Environmental Management System against which an organization can be certified by a third party. ISO 14001 is not only the most well known, but is the only ISO 14000 standard against which it is currently possible to be certified by an external certification authority.

<sup>13</sup> The Hospitality and Food Service Agreement is a voluntary agreement to support the sector in reducing waste and recycling more. The Agreement is flexible to allow any size of organization to sign up, from multi-national companies to smaller businesses, from sector wholesalers/distributors to trade bodies.

<sup>14</sup> WRAP works closely with interested and relevant organizations and individuals to determine the targets for the Hospitality and Food Service (HaFS) Agreement. The targets are owned by WRAP and collectively delivered by signatories. WRAP delivers this Agreement across the UK through its national programs, including Zero Waste Scotland.

The study also showed that of the 31%, some goes further into incineration and the part that does not burn go to road aggregate, resulting in zero landfill.

On the CSR side, the Lancaster London Community Consortium was launched with local charitable groups to support ongoing projects in the area, ranging from schools to those who are disadvantaged to the elderly. In order to fund these projects, the hotel started collecting £1 per room when the guests check out (with a possibility to opt-out) on a trial basis, and the amount of money collected is then matched by volunteering hours of the Lancaster London team. The Lancaster London truly involves the local community in the creation of a deliberate social values. Furthermore, the hotel initiated an ongoing campaign whereby the hotel donates old TVs and disposable items from guest rooms (curtains and pillows) to the Invisible Children’s Charity so that unused hotel stuff is recycled and used to raise money. Finally, the first seeds of collaboration were planted with the Institute of Leadership & Management in the launch of the Lancaster Academy, which aimed to provide hospitality diplomas to the young and prepare them for the industry through capacity building.

Furthermore, the Lancaster London introduced the yearly ‘Supplier of the Year 2012 Awards’ for its own suppliers in the categories of Large Company, Small Company and highly commended and invited suppliers to attend the Annual Staff Awards Dinner. Thus, the hotel has been providing recognition and incentives for those suppliers who have been going the extra mile in developing sustainable business practices. The Lancaster London recognizes its suppliers based on the following set of criteria: environmentally positive farming, local & seasonal, sustainable fish, fair trade, ethical meat and diary, healthy eating, treating people fairly, community engagement, contribution to waste management, energy efficiency and water saving.

Figure 1 below is an overview of Lancaster London’s sustainability milestones in a timeline:

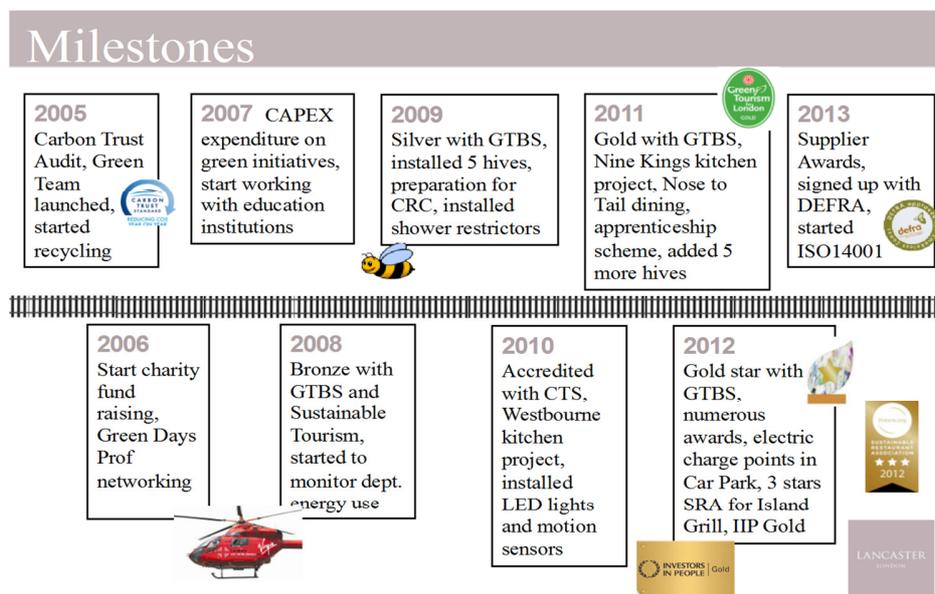


Figure 1: MILESTONES IN THE LANCASTER LONDON’S SUSTAINABILITY JOURNEY

Source: Lancaster London Presentation, 2013

The hotel exhibits proactive leadership in forming next-practice platforms through collaborative partnerships such as the launch of the Hotel Apprenticeship Scheme in 2012, the launch of the Lancaster London Community Consortium in 2013, and the set-up of the Institute of Leadership & Management in 2014, all of

which help the Lancaster London make ‘business sense’ of educational hospitality and generate more space for sustainability initiatives at the company level. The following section will elaborate on the ‘leverage points’ of the Lancaster London’s current strategy to better understand its relatively impactful positive contribution to society.

## **THE CORE ELEMENTS OF THE LANCASTER LONDON’S SUSTAINABILITY STRATEGY**

### A Holistic Vision ‘We always care’

The Lancaster London’s vision of ‘We always care’ and the eight previously mentioned hotel values constitute the heart of their sustainability initiatives. This proactive response is clearly highlighted in the hotel leaflet, as part of ‘Walking softly on the planet’ – the Lancaster London’s environmental ethos that derives from the hotel’s vision of ‘We always care’:

“The world’s natural resources are precious and often irreplaceable. Underlying our commitment to everyone, now and in the future, we strive to ‘walk softly’ on our planet.”

In parallel to the award-winning environmental initiatives to reduce negative impact on the environment, the hotel strives to act responsibly toward their community and within their industry, thus making a positive contribution to society. The hotel enjoys partnerships with several major organizations involved in sustainability issues such as the Carbon Trust, Carbon Clear, the Green Tourism Business Scheme (GTBS), DEFRA, WRAP, Sustainable Restaurant Association, Investors in People and the Considerate Hoteliers Association (CHA).

Furthermore, the hotel runs apprenticeship schemes to help young people into jobs in the hospitality industry. National Vocational Qualifications (NVQs) are awarded and mentoring is offered throughout their time at Lancaster London. Work placements are offered and created for students from the UK and the rest of the world through the Charity ‘Springboard UK’ and independently. This clearly shows the Lancaster London’s commitment to recruiting and training disadvantaged young people and encouraging in them a sense of purpose and concrete life goals.

Finally, the Lancaster London believes that they can only give their best to others when they are in touch with the best in themselves. Thus, the hotel strives to enact its previously mentioned hotel values through the following Culture:

*‘Where all team members have the ability to be the best they can be*

*Where team members are supported and developed as far as they need and want to be*

*Where succession planning is available for everyone’s career*

*Where everyone is happy and works proactively in every aspect of the Hotel Vision*

*Where there is no fear*

*Where team members are treated fairly*

*Where every team member learns from mistakes through constructive support and open communication.’*

### Educational Hospitality: Products And Services With A Purpose

The Lancaster London has long realized the importance of the positive impacts it could make on guests and has chosen to lead by example in offering its guests products and services with a purpose for society at large. In addition, it had realized that the hospitality industry had been lagging behind in terms of a skilled workforce and that not everyone who aspired to work in the industry was qualified nor had the resources to get qualified. Thus, to implement its holistic vision 'We always care' and to contribute to the well-being of society at large, the hotel decided to take the lead by focusing specifically on educational hospitality and harnessing its resources and competencies to shape and adapt its products and services to address this societal issue. In other words, it made 'business sense' of educational hospitality as a societal issue to be improved, which made the hotel stand out in the industry. The Lancaster London's primary focus on educational hospitality is channeled into two avenues: 1. Engaging guests in eco-friendly and sustainable principles aimed at stimulating sustainable consumer behavior, 2. Engaging in sectorial and cross-sectorial collaborations.

### Engaging guests in eco-friendly and sustainable principles

Underlining its commitment to the care of everyone on the planet, the Lancaster London has been proactively engaging with its guests by informing and educating them about unsustainable choices and practices. The Lancaster London aspires to inspire individual guests, businesses and competitors to follow suit. The Lancaster London believes that to change the collective rules of the game, hotel guests ought to act as important agents of change in the hotel's sustainability initiatives. Guests who stay at the Lancaster London are actively encouraged to engage in eco-friendly principles through a variety of means. The hotel contributes to educational hospitality with the following initiatives:

- Through the environmental page on the guests' in-room TVs, hotel guests are made aware of small things that can make a big difference such as: re-using towels and bed linen rather than replacing them, keeping windows shut when using the air conditioning, etc.
- E-brochures are available to all guests in place of printed collateral.
- The hotel has compiled a guest leaflet entitled 'Conserving Our Resources', which is a summary of the initiatives the hotel has committed itself to, and ensures their guests are informed regarding their green initiatives.
- The hotel offers guests the option of carbon offsetting. Guests are able to offset their carbon footprint throughout their stay when booking on-line by opting to contribute to a Carbon Offsetting Project.
- Guests are offered a meeting package, the 'Bee Green Package', which includes room hire, three servings of Fairtrade tea/coffee and biscuits, seasonal working buffet lunch, stationery and house bottled water, carbon offsetting for all delegates and flipchart.
- All bottled water that is offered to the guests in meetings, events and restaurants is bottled on site in reusable bottles, which saves 12 tons of glass per year.
- With Hyde Park on the doorstep, jogging is a popular pastime and guests are provided with maps showing a variety of routes, a copy of which can be obtained at the reception. The hotel offers complimentary parking for green and electric cars as well as two charging points. There is an excellent public transport network in the vicinity of the hotel and guests are encouraged to use it widely.
- Guests are encouraged to make use of the Barclays cycle hire scheme. Secure bicycle parking is available to both staff and guests in the 2<sup>nd</sup> floor car park.

- Concerned with the sharp decline in honeybees, the Lancaster London is the first central London hotel to install beehives. The ten-hive Rooftop Honey Farm was a result of the green team initiative to support the urban honeybee population, and is home to 500,000 bees. The hotel's 'Bee Team' collects 100kg of honey annually, which is then served in the hotel's Island Grill and is also given as gifts to guests and clients alike.
- There is a 'Responsible Visitor Charter' on the hotel's website for guests with seven simple suggestions. Guests are encouraged to follow the hotel's lead in practices such as using greener means of travel, walking or cycling, and using the bike racks installed at the hotel.
- The hotel works with its guests and colleagues to generate donations for the two charities that aim at the homeless, Sleep Smart and the Passage.

These initiatives not only engage guests in eco-friendly and sustainable principles but also create awareness of sustainable living, sustainable sourcing and sustainable transportation. New and innovative products such as the Bee Green Package and services are created as a voluntary and proactive contribution to a societal challenge, educational hospitality and the well-being of society and planet at large.

### Engaging in sectorial and cross-sectorial collaborations

Developing sectorial and/or cross-sectorial cluster development, in other words, forming next-practice platforms, reinforce not only the business itself but also its infrastructure such as its value chain, its suppliers as well as its collaborations with various industry players, third parties and the public sector. The Lancaster London has been contributing positively to sectorial as well as cross-sectorial level collaborations through the following practices:

- The Trail Blazer Apprenticeship scheme to help young people find jobs in the hospitality industry. The Trail Blazer is a partnership of six London hotels, which contributes to increasing the human resources capacity of the industry. NVQs are awarded and mentoring is offered throughout the apprentices' time at the Lancaster London. Such a partnership certainly helps to elevate the relatively low-skills required by the industry. Furthermore, the partner hotels benefit from a common pool of talent. This certainly has advantages for individual hotels where the tradition of employee mobility or transfer is relatively limited as compared with chain hotels.
- The Lancaster Academy set up in partnership with the Institute of Hospitality, which aims to qualify young people in or into the hospitality industry through a balanced mix of practice and theory.
- Work replacements for students from the UK and the rest of the world, which are facilitated through the UK charity - the Springboard UK - and independently.
- The Lancaster London Community Consortium, collaboration with five different charities on five different projects which target contribution to society through volunteering hours. Having long felt the need, the Lancaster London, as one of its newly launched initiatives, has shifted its focus from donating money to educational time. For instance, as one of these projects, the bee team pays regular visits to local schools to create awareness of the importance of bees and their role in the ecosystem. Similarly, other hotel staff spends time with the elderly chatting and enjoying teatime with them, simply to make them happy and integrate them into society.

- First ever and free-to-attend London Honey Show, which brings together various ‘actors’ in the bee and food industry. Every year the hotel invites bee-keeping enthusiasts, commercial honey producers, exhibitors and the general public to an event to promote awareness about honeybees. The event also hosts prize giving for a variety of competitions such as 'Best School/College Honey', 'Best Packaging' and even 'Best Colored Honey', in an effort to stimulate a wave of interest in beekeeping.
- Supplier awards which are integrated into yearly staff awards: the Lancaster London works with like-minded sustainable suppliers who are scrutinized for their respect to their local environment and community. Hotel's suppliers are recognized under the categories of: Supplier of the Year, Highly Commended Large company and Small company and Special Recognition Award.

All these proactive initiatives help the Lancaster London create transparency, share best practices in the industry and redefine new rules in its current business context, which lead to increasing the impact and outreach of its holistic vision.

## **LANCASTER LONDON AS A TRULY SUSTAINABLE BUSINESS**

Having assessed the important phases of evolution in the Lancaster London’s sustainability timeline, and core elements of its current strategy, this section will assess the Lancaster London’s sustainability positioning based on the relevant criteria of the Dyllick/Muff Business Sustainability Typology. The three criteria of the Typology reflect elements of a typical business process model: (a) the relevant concerns (drivers, motivations), (b) the organizational perspectives applied (starting with societal challenges (outside-in) vs. starting with existing business, strategy or product-lines (inside-out)), (c) type of value created.

### Focus on societal concerns

Sustainability requires a multi-faceted perspective indeed; while the traditional business perspective is one-dimensional with economic concerns, the sustainability perspective typically includes the three concerns of social, environmental and economic issues. Yet, truly sustainable companies go further than starting with well-defined sustainability dimensions and start with the society at large and societal concerns.

The Lancaster London’s vision is aimed at society as a whole; highlighting the relevant stakeholders that the hotel feels accountable to. The vision is exemplary as it is not limited to the three well-defined areas of sustainability (social, environmental and economical) only, but aims at providing care for the well-being of all. Such a holistic societal concern includes various sustainability issues that the hotel believes it can contribute to most effectively by adapting or developing company resources. Below are the elements of this Vision that are of major concern to the Lancaster London, as explicitly stated on the hotel website and internal documents:

"We always care about our colleagues."

"We always care about developing our colleagues."

"We always care about Equal Opportunities and Diversity."

"We always care about engaging our guests in our initiatives."

"We always care about our local community."

"We always care about our industry."

"We always care about charitable activities."

"We always care about fundraising events."

"We always care about our impact on the Environment."

The interview findings are indeed aligned with this exemplary hotel vision aimed at the society in the sense that when interviewees were asked about the impact of the economic downturn on the hotel's commitment towards sustainability initiatives, half of the respondents cited increased concern with society and the planet, and four interviewees cited concern with company stakeholders. While only one interviewee mentioned a stronger concern with the bottom line, all the rest mentioned that financial performance had not been an issue during the downturn, largely citing the hotel's outstanding location as a central London hotel as well as the quality accommodation and service it provides.

The findings of the interviews held with the Lancaster London team and its external stakeholders further shed light on this concern with society and the planet. More than half of the interviewees (6 out of 10) thought that previous GM's personal values (altruistic, feeling socially responsible) and lifestyle largely accounted for the hotel's initial engagement in the vision "We always care" as well as the sustainability initiatives thereof. While two interviewees mentioned cost savings and competitive advantage as the main driver for the hotel's sustainability engagement, another two interviewees mentioned the need to comply with the requirements of the Environmental Agency and Carbon Reduction Trust as the driving force that led to the hotel's sustainability initiatives. Finally, one senior manager remarked on a desire to contribute to societal well-being through economic activity. These findings not only suggest the importance of company leaders' personal values and lifestyles but also resource-efficiency concerns and compliance, as triggers of the Lancaster London's sustainability initiatives.

SCALA findings also align with the interview findings. In the SCALA survey, both Executives / Senior Managers (87%) and Middle Managers (71%) chose 'Awareness of our responsibility to the environment' as the most widely cited motive that led the hotel to start addressing sustainability issues. On the senior managers' side, other perceived drivers for addressing sustainability issues were 'Desire to improve efficiency and impact the company's bottom line' (53%), 'Recognition our company could address societal needs' (47%) and 'Desire for innovation and growth' (47%), respectively. On the middle managers' side, other mentioned drivers were 'Desire for innovation and growth' (38%), followed by 'Need for reputation building' (33%). These findings support the aforementioned personal values and lifestyle that are perceived to have led to the Lancaster London's noteworthy sustainability performance, and further reflect the management team's concern and awareness of responsibility for the environment and society.

Interestingly, Front Line Staff (46%) chose 'Desire for innovation and growth' as the primary motive/concern behind the hotel's sustainability initiatives. This was followed by 'Awareness of our responsibility to the environment' (43%) and 'Desire to engage employees' (34%), respectively. This may imply that front line staff perceive the hotel's sustainability endeavors more as a result of the 'business case' than pure 'awareness of responsibility to the environment, although the difference between these two overarching motivations is too minor (3%) to make further judgments. The SCALA survey findings overall support the Lancaster London's vision, which entails the aspects of 'We always care about our industry', 'We always care about our colleagues' and 'We always care about our impact on the Environment'. It is this awareness of responsibility to the

environment that may have led to the Lancaster London's 'Outside-in' organizational perspective, which will be elaborated in the following section.

When assessed with regard to the 'concerns' criteria, the Lancaster London appears to have started off its sustainability journey with societal concerns, which is typical of truly sustainable businesses. 'We always care' is a proactive vision, which entails a shift of perspective that not only seeks to minimize negative impacts but also seeks to create a significant positive impact in critical and relevant areas for society and the planet.

### An 'Outside-in' organizational perspective

Dyllick and Muff (2013), in their typology, posit that companies usually start off with their existing business, strategy or product-lines and work on making them more sustainable (inside-out perspective), with the aim of creating social, environmental and economic values (triple bottom line). Such an inside-out perspective leads to initiatives and actions that are by nature limited in their contributions to solving sustainability challenges. True sustainability, however, works the other way around by starting with sustainability challenges, and questions how company resources and competencies can be used and adapted to make 'business sense' of these challenges.

The Lancaster London indeed displays this different strategic approach to business and shifts the traditional 'inside-out' business perspective to an 'outside-in' perspective by starting out with a societal challenge – educational hospitality. Having started out with a proactive and holistic vision statement 'We always care' that derives from a societal concern, the hotel strives to make a positive contribution to a broad range of stakeholders and the society at large. It engages in developing new strategies towards sectorial or cross-sectorial levels to deliver educational hospitality: the Lancaster London Community Consortium, the Lancaster Academy-that runs in partnership with the Institute of Hospitality-, the Trail Blazer in Apprenticeship Scheme-that leads the government initiative- and finally, the template programs for apprentices sharing with industry. Such collaborative partnerships help the hotel proactively change the status quo.

In the SCALA survey, 84.4% of the respondents think that the hotel's current approach to sustainability is proactive or active, although senior managers and middle managers are much more likely than front line staff to think so. Similarly, 93% of the respondents think that the hotel is either 'Engaged' or 'Very Engaged' with sustainability, although the data suggests that senior managers are much more likely than middle managers or front-line staff to say that the hotel's sustainability engagement is at the level of "Very Engaged". Although the Lancaster London appears to have excelled in employee engagement overall, the findings indeed present an area of improvement for the Lancaster London as they indicate a need for increased staff engagement at the operational level. This would require engaging frontline staff and middle managers more often in the sustainability decision-making process to enhance a stronger sense of ownership of future sustainability initiatives.

It is this proactive 'outside-in' organizational perspective that distinguishes the Lancaster London from other hotels that only start off with three-dimensional concerns (social, environmental, economical). Dyllick and Muff (2013) assert that truly sustainable businesses see themselves as responsive citizens of society and this seems to hold true for the Lancaster London. The Lancaster London truly translates a sustainability challenge into a business opportunity making 'business sense' of societal and environmental issues. The Lancaster London first looks at the external environment within which it operates and asks itself what it can do to help resolve critical challenges utilizing the resources and competencies it has at its disposal. The Trail Blazer

Apprenticeship scheme, for instance, is an initiative that not only resolves the issue of youth unemployment but also provides benefits from a common pool of skilled and trained talent for the participating hotels.

The Lancaster London's 'outside-in' organizational perspective is further reflected in the restructuring of its 'Green Team' to the current CSR Team. Formed in 2005, the Green Team introduced the Green Week and started contacting the charities – the Passage, Air Ambulance and St. Mary's Hospital. In 2008, the Green Team started using departmental action plans, and a duty managers' environmental checklist was created. In 2009, the Green Team was reformed into the Environmental and Energy Task Force, which made the Energy Awareness and Energy Poster campaigns. In 2010, the Environmental and Energy Task Force was reformed into the Eco Initiatives Group that aimed for a proactive approach in handling environmental issues. The Group prepared the Guest Booklet 'Conserving Our Resources' and a jogging map in addition to waste audit as new initiatives. Finally in 2012, the Eco Initiatives Group was reformed into the current CSR Team to better deal with a broader scope of CSR issues including sustainability. The CSR Team currently has representatives from each department in the hotel. As can be seen, through such organizational restructuring, the Lancaster London has successfully re-organized around 'educational hospitality' as its overarching societal concern, and adapted its resources and competencies making 'business sense' of this challenge.

When judged with regard to the 'organizational perspective' criteria, the Lancaster London appears to be a truly sustainable company.

### Creating value for society

While the purpose of the current economic paradigm is to create economic value, sustainability perspectives are broader and balance economic, environmental and social values aimed at various stakeholder groups that are directly affected by the business activities. Yet, the Lancaster London has an even more ambitious approach and goes beyond direct stakeholders and also includes indirect stakeholders and the 'common good' that are only indirectly affected by its business activities. For instance, the hotel cares about not only corporate happiness but also happiness of future generations and environmental health, as stated in the hotel values underlying the vision 'We Always Care'. With its primary concern with society and planet, the hotel truly utilizes its resources and competencies to collaborative partnerships and projects in educational hospitality. While the hotel's environmental ethos 'Walking softly on the planet' contributes to minimizing the hotel's negative environmental impacts on the planet, its vision 'Care for the well-being of all on the planet' contributes to increasing its positive impact on the well-being of society.

Interestingly, in the SCALA survey, 58% of the respondents perceive their vision's primary concern with society and planet as a triple bottom line value, that is, more than half of the respondents think that their company is trying to create economic, social and environmental value by addressing sustainability issues. This is followed by 'Making a positive contribution to solving critical societal challenges', as cited by 21.6% of the respondents. While 73% of the executive / senior managers perceive the type of value created as a TBL value, 20% see it as a positive contribution to society. The front line staff, however, sees no difference between the values of TBL and positive contribution (56% versus 56%, respectively). It is worth drawing attention that although frontline staff perceives 'Desire for innovation and growth' as the primary concern behind the hotel's sustainability initiatives, they see no difference in the value created in terms of TBL and positive contribution to society. Thus, it could easily be inferred that the frontline staff sees the positive contribution the hotel delivers in the sustainability journey.

Similarly, the majority of the interviewees think that the Lancaster London, through its strategic focus on sustainability, is trying to create a deliberate TBL value as the outcome of this focus. Six out of 10 interviewees mentioned the development and implementation of new strategies and programs aimed at sustainability issues in a proactive way. The same interviewees also mentioned that stakeholder concerns are considered with environmental and social concerns in a proactive manner. While three interviewees mentioned positive contribution to society as an outcome of the hotel's sustainability efforts, one of the key external stakeholders mentioned the fact that the hotel might be managing risks arising from new environmental and social concerns in the hope of embracing opportunities to please shareholders.

When further asked about 'in what aspects the Lancaster London contributes exactly to societal well-being' (positive common good), the most widely cited aspect was educating relevant stakeholders and creating awareness of sustainability through various events and partnerships. The hotel is also believed to have contributed to social equity through collaborations with the local community, apprenticeship schemes and employee diversity, although to a less extent. Finally, contribution to quality of life and contribution to health and well-being were among the least cited contributions to the positive common good. Educating guests, suppliers, employees and local community clearly seem to be the Lancaster London's primary contribution to society at large.

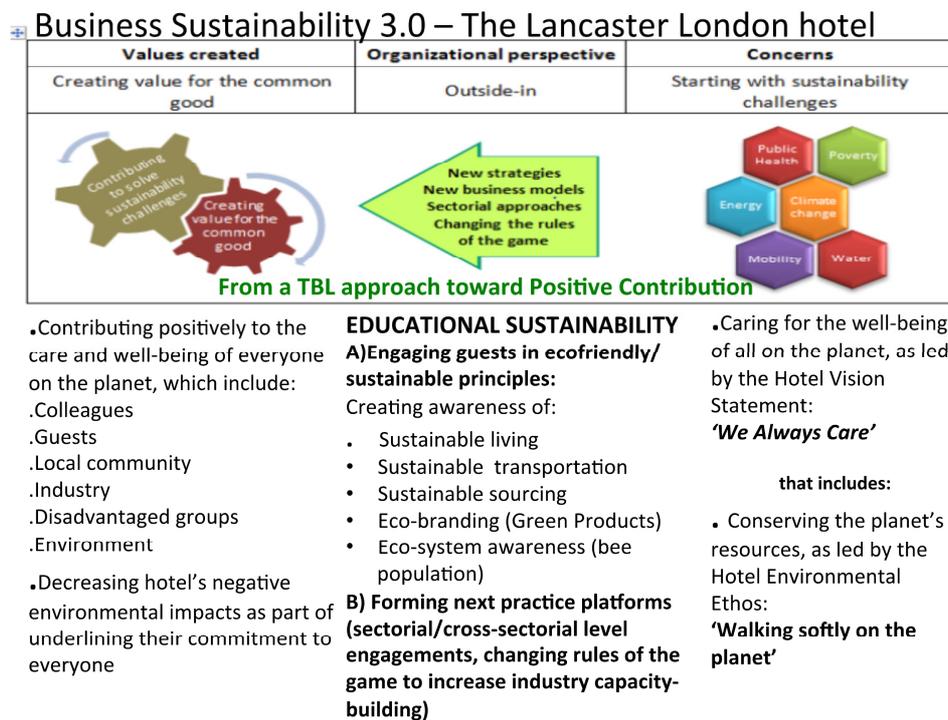
Finally, the most widely cited societal challenge the interviewees thought the Lancaster London can solve capitalizing on its current resources and relationships, was poverty/social justice (cited 6 times), followed by educating guests and suppliers (cited 3 times) as well as contributing to the improvement of public health (cited 3 times). The widely cited social justice issues that the Lancaster London could contribute to involved improving the quality of life and well-being of disadvantaged groups such as the unemployed, the homeless and the sick; as well as employee diversity, inclusion and assistance during difficult times. Some other invaluable interviewee insights also included: "homelessness in the Westminster area", "enhancing re-use of food", "improvement of volunteering hours rather than money", "minimizing food waste", "increased communication with guests on sustainability" and finally, "improvement of the apprenticeship scheme to better include the frontline staff".

Although the Lancaster London's vision starts with a societal concern and has an 'outside-in' organizational perspective, based on the interview findings with various stakeholders and the SCALA survey, the hotel is perceived to create Triple Bottom Line (TBL) values in sustainability, with the exception of the frontline staff who see the value created as both a TBL and positive contribution to society. These findings indeed contradict with the hotel's positive contribution to society through the programs and actions taken in the area of product and services as well as governance. Engaging guests in eco-friendly and sustainable principles and forming next-practice platforms to change the rules of the game in the industry, are novel examples of caring about indirect stakeholders and the 'common good' and can be considered as good examples of positive contribution to society, which constitutes one of the criteria for a truly sustainable company.

One possible explanation for this contradiction may be due to the infancy of 'sustainability' as a concept in the hotel industry. As elaborated in the 'Introduction', the definitions of sustainability prevalent in the industry, to date, have either focused on resource efficiencies and 'green' practices, or at best 'managing for the Triple Bottom Line'. Perceiving educational hospitality and next-practice platforms as positive contribution to society might seem like a utopian idea. This also seems to be the case with various sustainability-related accreditation bodies whose grading criteria heavily focus on the environmental dimension of sustainability with limited

social criteria that largely entail a philanthropic CSR angle (Font and Harris, 2004). The authors’ research shows that social standards are ambiguous, the assessment methodologies are inconsistent and open to interpretation and that there is considerable variation on what is understood as sustainable depending on the type of tourism companies targeted (Font and Harris, 2004).

When assessed from the overall three dimensions of a business process model, however, the Lancaster London appears to qualify as a truly sustainable company, as it not only walks softly on the Planet but also contributes positively to society. Figure 2 below, is an overview of the Lancaster London’s Business Sustainability Positioning based on the Dyllick and Muff’s Business Sustainability Typology, as detailed in terms of concerns, organizational perspective and type of value created.



**Figure 2:** LANCASTER LONDON’S BUSINESS SUSTAINABILITY POSITIONING IN THE DYLLICK/MUFF BUSINESS SUSTAINABILITY TYPOLOGY

*Source: Developed for this case study*

After having positioned the Lancaster London as a truly sustainable business overall, we now look at the organizational and cultural underpinnings of this strategy. While organizational culture plays an important role in organizational strategies, it matters even more with sustainability strategies due to the unique and challenging context they require. Most sustainability-related research over the past few years showed that culture is important in the success of sustainability strategies (Miller-Perkins, 2011).

Thus, the following section will focus on understanding various aspects of the Lancaster London’s sustainability culture, which largely accounts for the hotel’s success as a best practice hotel in the field of sustainability, and may also serve as the building block for the hotel’s future sustainability strategies.

## A STRONG SUSTAINABILITY CULTURE

Organizational culture includes norms regarding appropriate and desirable interactions with others outside and within the walls of the organization (Miller Perkins, 2011). More positive and constructive organizational cultures are associated with more positive staff morale, improved service quality and outcomes, greater sustainability of existing and future sustainability programs and reduced staff turnover (Glisson, 2007). Yet, how culture relates to the sustainability implementation remains to be explored further. Knowing more about this relationship would inform efforts to facilitate sustainability transformation. For instance, organizations with less positive organizational cultures, such as cultures with low senior leadership commitment or low tolerance for ambiguity (Miller Perkins, 2011), may require more intensive employee engagement support to develop well-coordinated sustainability implementation plans.

To describe in more detail how the Lancaster London's culture and leadership support the implementation of its sustainability strategy, we rely on the SCALA results, which are presented below:

### Organizational Leadership

Organizational leadership refers to those who are in formal positions of authority from the executives at the top of the organization down through the ranks of the organization (Miller-Perkins, 2011). Companies whose leaders have a clear vision for sustainability would be in a better position to achieve sustainability-related goals. An excellent management team with a focused approach appears to have made the Lancaster London one of the UK's leading sustainable hotels. According to the SCALA results, 87% of the respondents agreed that their leaders have a clear vision of sustainability, although executives/senior managers (93%) and mid-managers (92%) show a more positive response than front line staff (82%). Furthermore, 88% of respondents agreed that the leaders of the company take a long-term view when making decisions. Finally, 87% of the respondents agreed that their leaders have a clear business case for pursuing sustainability goals.

Previous research shows that companies that have a sound business case for their sustainability strategies in the first place are likely to find it easier to integrate sustainability into their decision making (Miller-Perkins, 2011). This is also the case with the Lancaster London as 88% of the respondents agreed that the leaders of the company integrate sustainability into their decision-making, although executives/senior managers (93%) were significantly more positive than front line staff (86%,  $p < .04$ ).

In addition, integration of sustainability goals into management and governance structures includes cross-functional committees, policies and guidelines (Dyllick and Muff, 2013). The Lancaster London's cross-functional CSR team is made up of representatives from all departments who meet on a monthly basis. Through its cross-functional CSR committee, the hotel plans various sustainability initiatives into its business agenda, and keeps monthly track of its progress on those initiatives. While the Engineering team measures the results of these initiatives, the Director of Procurement, Environment and Sustainability coordinates the overall sustainability agenda. Sustainability achievements are reported in a transparent and externally verified way through the relevant third parties such as the WRAP, GTBS, CHA and Veolia that monitor the hotel's progress with regard to pre-established criteria. The hotel goes through routine annual accreditation such as those of the GTBS or the CHA. For instance, GTBS assesses the hotel's sustainability performance based on the following generic scoring sections: marketing & management, communication, energy saving, water issues, purchasing, waste minimization, travel & transport, nature & culture and innovation. On the other hand,

WRAP, under its the Hospitality and Food Service (HaFS) Agreement, assesses the hotel more specifically based on a prevention target and waste management target in the categories of food, glass, card, mixed recycling and general waste.

Furthermore, the Lancaster London successfully integrates sustainability objectives into the planning and reporting cycles. Sustainability goals and activities are largely embedded in the line functions and in the compensation of management. In the SCALA survey, 82% of the respondents reported that the hotel has integrated sustainability-related goals into the performance management system, with no significant difference between the hotel positions. Similarly, 62% of the respondents reported that rewards and compensation are clearly linked to the organization's sustainability goals, again with no significant difference between the hotel positions. These findings were also supported in the interviews where the majority of the interviewees (8 out of 10) mentioned that sustainability had been integrated into line functions. Yet, four managers highlighted that this integration was either partial or at manager level only. Finally, two interviewees mentioned that there is ongoing restructuring around societal challenges with new alliances or partners.

Another important aspect of effective governance is smooth implementation of strategies and goals. This applies to sustainability as well. It is noteworthy that in the interviews held with the Management Team and the external stakeholders, enhancement of a more engaged organizational culture was the most widely cited challenge (5 out of 10) in the hotel's implementation of sustainability, followed by internal resistance to change due to corporate culture (2 out of 10) as well as insufficient resources in terms of time and money (2 out of 10). Consumer perception of green washing was mentioned only once as a barrier in the sustainability implementation.

Two other indicators regarding the Lancaster London's governance and leadership success are how the team perceives the hotel's as well as their leaders' performance relative to those of other companies in the industry. In the SCALA, 82% of the respondents rated the Lancaster London better than other companies in the industry with regard to sustainability, while 18% of the respondents thought that their company was about the same as other companies in the industry. However, when results by position are considered, executives / senior managers (60%) and mid-managers (58%) were significantly more positive than front line staff (55%,  $p < .03$ ). Similarly, 76% of the respondents reported that the hotel's leaders compared better than the leaders of other companies in their region with regard to commitment to sustainability, yet with no significant difference between the hotel positions. This shows that the hotel's relatively better sustainability performance may be linked to the leaders' commitment to sustainability.

Companies with leaders who can inspire others with their visions would be more apt to create momentum for their sustainability initiatives. This appears to hold true for the Lancaster London, as 80% of the respondents agreed that the leaders of their company are able to inspire others about sustainability-focused issues and initiatives, although executives/senior managers (93%) and mid- managers (88%) were significantly more positive than front line staff (72%,  $p < .01$ ).

Finally, success with sustainability requires corporate leaders to possess a clear understanding of the issues and the personal commitment to address them. The literature indicates that leadership commitment is critical to successful implementation of sustainability strategies (Eccles et al., 2012a). Furthermore, courage to take risks plays a crucial role in leading companies to incremental or radical improvements in the journey. The Lancaster London SCALA data show that 68.6% of the respondents agreed that the leaders of the company are willing to take measured risks in pursuit of sustainability; however, the agreement among mid-managers (84%)

was significantly more than the agreement among the front line staff (61%,  $p < .02$ ). The respondents (77%) further agreed that the leaders of the hotel are knowledgeable of the issues pertaining to sustainability. Finally, 76% of the respondents agreed that their leaders are personally committed to issues pertaining to sustainability, with no significant difference between managers and front line staff.

Overall, the findings on organizational leadership suggest that, in general, senior managers are more positive than middle managers, who are more positive than the frontline staff. This clearly reinforces previous research, which shows that people at the highest levels in the organization are also the most positive about and committed to the organization (Stawiski, 2010).

### Organizational Systems

Organizational systems are the mechanisms through which work is regulated and results are measured and communicated (Miller-Perkins, 2011). The author further asserts that in order to meet sustainability goals, organizations need systems for regulating work and measuring and communicating results. The Lancaster London SCALA data show that 87% of the employees agree that the hotel has embedded sustainability into the operating procedures and policies, with 84% having confirmed further the presence of an enterprise-wide management system for sustainability. While 82% of people agreed that the company has integrated sustainability-related goals into the performance management system, only 62% agreed that rewards and compensation are clearly linked to the organization's sustainability goals.

### Organizational Climate

Miller-Perkins (2011) defines organizational climate as the characteristics of the internal environment as experienced by its members. The long-termism of sustainability entails uncertainty, which can be challenging for organizations. Thus, understanding of the organizational climate can contribute to more predictable corporate behavior and sustainability implementation. Levels of trust are an important indicator of organizational climate in an environment of uncertainty. In the SCALA, 80% of the Lancaster London team agreed that the level of trust within their organization is high, although executive/senior managers (100%) as a group were significantly more positive than front line staff (73%,  $p < .001$ ). Also, most of the staff (74%) reported that most people in the hotel believe that a commitment to sustainability is essential to the company's success in the long-term, with no significant difference between positions.

The degree to which an organization supports learning is another aspect of organizational climate as leaders may consider to enhance the organizational climate to succeed in uncertainty. 89% of the Lancaster London team agreed that continual learning is a core focus of their organization, although the agreement among executive/senior managers (100%) was significantly higher than front line staff (85%,  $p < .02$ ). One way of facilitating organizational learning is to encourage people to learn from external sources. In the SCALA survey, 59% of the respondents agreed that their company encourages people to learn about sustainability from external sources.

Finally, organizational cultures that are willing to take risks and are committed to innovation are highly likely to thrive when faced with ambiguity (Miller-Perkins, 2011). The Lancaster London data show that 77% of the respondents agreed that their company rewards innovation.

### Change Readiness

Sustainability goals and strategies require organizational change; thus, organizational cultures that excel in the capability of handling change are more likely to thrive with their sustainability initiatives (Miller-Perkins, 2011). Handling change entails both the ability to sense and act on change signals as well as the ability to experiment rapidly and economically to learn new and better ways of coping with change (Reeves et al., 2012). This is reflected in the degree to which people actively challenge the status quo. In the SCALA, 65% of the Lancaster London team thinks that the hotel actively challenges the status quo.

Previous research suggests that the best predictor of future behavior is often past behavior; thus, past change efforts are an important indicator in assessing change readiness. 75% of the Lancaster London team reported that the hotel has a strong track record of implementing large-scale change successfully. When small, incremental change was considered, 71% of the team agreed that their company has a strong track record for implementing incremental change successfully, although agreement among the mid-managers (84%) was significantly more than that of the front-line staff (62%,  $p < .02$ ).

### Internal Stakeholders

Internal stakeholders are groups or individuals within the bounds of the organization who can affect or are affected by the achievement of the sustainability objectives (Miller-Perkins, 2011). Sustainability efforts are successfully implemented in organizations where employees feel valued by the company, and care about the company and its values. Such organizations further believe that sustainability means more than an added cost to the hotel.

The Lancaster London's internal stakeholders are its employees, both front line staff and managers, who make up its corporate culture. In the SCALA, 67% of the respondents believe that the hotel has a clear strategy for engaging all internal stakeholders in its sustainability efforts although middle managers (84%) were significantly more positive than front line staff (57%,  $p < .02$ ). Regarding perceptions of congruence between sustainability goals and strategies, 73% of the Lancaster team believed that they are engaged in work that is connected to sustainability goals, with no significant difference between perceptions of managers and front line staff. Furthermore, 75% of the team believes that the hotel values them and their contribution, yet interestingly, males (82%) are significantly more positive about feeling valued than are females (67%,  $p < .02$ ).

### External Stakeholders

External stakeholders are groups or individuals outside of the organization who can affect or are affected by the achievement of the sustainability objectives (Miller-Perkins, 2011). External stakeholders play a crucial role in giving organizations a systems advantage as they enable organizations to extend their adaptive capacity beyond their own organizational boundaries to include a network of partners and collaborators in the broader ecosystem (Reeves et al., 2012). The adaptive capacity increases as organizations continuously go through the social interactions that external stakeholders provide as learning platforms. Thornton et al. (2012) assert that social exchanges serve as the tool to organizational change and that social interactions provide the key motor that transforms organizational practices.

The Lancaster London indeed has extensive range of external stakeholders, which include Boards of Directors, suppliers, external project managers and consultant, customers, NGOs and all of civil society to some degree. This is demonstrated in the SCALA survey whereby 65% of the respondents believe that the hotel has mechanisms in place to actively engage with external stakeholders about its sustainability efforts, although

senior managers (80%) were significantly more positive than front line staff (57%,  $p < .03$ ) about this external stakeholder engagement.

The Lancaster London further appears to possess a consistent and integrated engagement strategy that deliberately targets key external stakeholders. In the SCALA, 77% of the respondents agreed that their company sends a clear and consistent message about the hotel's commitment to sustainability although senior and middle managers (86% and 92%, respectively) were significantly more positive than front line staff (67%,  $p < .04$ )

Finally, the Lancaster London has successfully managed to shift its focus from 'the firm' to 'the ecosystem'. This is strikingly evident in the hotel's sustainable sourcing strategy that builds on the capabilities of its suppliers. The Lancaster London is aware of the fact that the hotel does not operate in isolation from its surroundings, and that to compete and thrive, it needs reliable local suppliers that believe in the benefits of sustainable practices. In the SCALA, 87% of the respondents believe that the hotel encourages sustainability in its supply chain although senior and middle managers (100% and 96%, respectively) were significantly more positive than are front line staff (79%,  $p < .01$ ).

## **THE OUTCOME: ALIGNING STRATEGY WITH CULTURE**

As the SCALA results highlight, the Lancaster London's culture, organization and leadership are well aligned with their sustainability strategy and goals. The hotel has a clear business case for sustainability and thus is able to integrate its sustainability goals well into the sustainability decisions, and into its operating policies, procedures and performance management systems. Rewards and compensation are clearly linked to organization's sustainability goals. The leaders of the company appear to be knowledgeable, inspiring, risk loving as well as personally committed to sustainability. Regarding the organizational climate, the level of trust, continual learning and focus on innovation are highly prevalent. The hotel has a strong track record for implementing both large-scale and incremental change successfully, which can be a good indicator of progressive sustainability strategies. Finally, the hotel is quite capable of actively challenging the status quo and engaging both internal stakeholders and external stakeholders in its sustainability initiatives. Thus, the Lancaster London appears to possess a good mix of both an externally focused, adaptable and flexible culture as well as an internally focused, stable and durable culture, although as the timeline suggests, the hotel appears to be evolving towards the externally focused end of the continuum with escalating stakeholder relationships and developing next-practice platforms.

Strikingly, although the employees and their contribution are valued, this feeling of 'being valued' is more dominant among the males than amongst the females. This may be due to the differing expectations and personal belief systems of females and males; however, elaborating on this gender difference falls outside the scope of this case study and thus hierarchical level has not been controlled for in the study.

This case study relates more to the differences in perceptions from the top of the organization down through the ranks of the organization. As such, in general, executives/senior managers are more positive than middle managers, who in turn, are more positive than the front line staff on almost all of the interval scale items. This demonstrates higher self-esteem, confidence and commitment on the management side. Indeed, recent research shows that the higher people are in the organization, the more committed they are in general and the more positive they are about the organizations sustainability or CSR efforts (Stawiski et al., 2010). More

positivity on the side of the management team can be rooted in the hotel's clearly set sustainability goals and strategies, as well as leaders' strong sustainability-related values and commitment to sustainability. Yet, some specifically overlooked aspects of the dominant culture may well explain for this gap between the perceptions of management and the front line staff, which may indicate a potential area of improvement. There appears to be potential to bridge this gap in positivity among the levels and embed sustainability further down to line functions. This would help improve and align some specific aspects of the dominant organizational culture with the ambitiously set hotel vision and sustainability strategies thereof.

## **DISCUSSION POINTS**

Through its state-of-the-art vision, the Lancaster London aims to contribute to the 'common good' / well-being of various stakeholder groups and society as a whole. The Lancaster London strategy relates its eight core values to six different stakeholder groups to define the relevant space of the 'common good'. These stakeholder groups are: colleagues, industry, guests, the local community, disadvantaged groups (the young unemployed, the elderly, the disabled and school children), and the environment itself. While the hotel's environmental ethos 'Walking softly on the planet' contributes to minimizing the hotel's negative environmental impacts on the planet, its vision 'We always care' contributes to increasing its positive impact on the well-being of society. This is indeed in line with Dyllick and Hockerts' (2002) research that highlights the need for business to go beyond multidimensional business contribution to sustainability and become eco-effective or socio-effective by solving the sustainability issues of societies.

As the Lancaster London's timeline explicitly demonstrates, the hotel initially started off with 'green technology' investments to decrease its negative impacts on the environment in line with its environmental ethos "Walking softly on the Planet", while achieving resource efficiency gains at the same time. This has further led the Lancaster London to engage in various sustainable practices such as: energy monitoring and reduction, water use reduction, waste reduction, recycling and reusing products, pollution, sustainable sourcing, honeybees and food mileage. Complying with laws and regulations as well as with voluntary third party accreditation criteria, the hotel has successfully gained recognition as a sustainability landmark in the hotel industry. Companies can indeed improve productivity in the value chain by developing the quality, quantity, cost, and reliability of inputs and distribution while simultaneously acting as a steward for essential natural resources and driving economic and social development (Porter and Kramer, 2011).

As the interview findings suggest, the Lancaster London team demonstrates strong and broad concerns for others, which, as the interview findings show, appear to be largely rooted in company leaders' moral values and principles (Half of the interviewees mentioned the previous GM's sustainable lifestyle and sustainability related values such as altruism). This supports the theory that one of the three frames that explain pro-sustainability behavior in tourism enterprises is through lifestyle choices and habits informed by values rather than formalized plans (Matten and Moon, 2008). 'Success' for managers/owners of small to medium sized hotels (including independent hotels) is largely rooted in their own circumstances (Carlsen et al., 2008), which at times but not always, requires managing a company based on sustainability values (Ateljevic and Doorne, 2000). Sustainability in small to medium sized hotels is explained through the relationship between business and society, as the expectation of being socially responsible increases with the increased perception of success of the company, not just business size (Matten and Crane, 2005). This suggests that more financially successful businesses are highly likely to implement CSR actions to legitimize their status. This may be the case with the

Lancaster London team as the team explicitly expresses sustainability as a pure business responsibility rather than that of a non-governmental organization or government.

Furthermore, as the SCALA results show, awareness of the responsibility for the environment is the most widely cited reason to start addressing sustainability issues. This is in contrast with Jones et al. (2007)'s argument that if businesses act as good agents in the interests of shareholders, the overall human welfare would be enhanced. The Lancaster London's investments in CSR projects such as the Lancaster London Community Consortium are highly likely to contribute, directly or indirectly, to the hotel's bottom line. This is certainly in line with Waldman & Siegel's (2008) assertion that CSR derives from instrumental thinking to maximize the wealth of the firm. However, the Lancaster London's understanding of responsibility goes beyond social responsiveness and philanthropic CSR, and further entails proactive engagement in a societal challenge – educational hospitality, which is explicitly reflected in the various partnerships and collaborations the hotel has been leading recently, such as the Trail Blazer in Apprenticeship scheme that is run with other industry players and the Lancaster Academy that is run in partnership with the Institute of Hospitality.

Furthermore, the Lancaster London has also successfully recognized the complexity of a global, interconnected business context, which is characterized by a multitude of stakeholder group interests. For example, the hotel cares about human rights issues, such as diversity, contributes actively to resource efficiency through 'green' technology, and expresses commitment to care for the interests and needs of all legitimate stakeholders in its vision statement. Such stakeholder orientation is certainly reflected in the hotel's drive towards efficiency, which extends from the hotel premises to the value chain where the hotel works with suppliers to develop eco-friendly raw materials and components and reduce waste. As Nidumolu et al. (2009) posit, companies develop sustainable operations by analyzing each link in the value chain and first they make changes in obvious area such as supply chains. The Lancaster London appears to truly possess strategic thinking and a sense of the economic bottom line with a stakeholder perspective and social ideals. In this sense, it has a strategic, proactive, multifaceted as well as an integrative approach towards sustainability (Pless, 2007; Pless and Maak, 2011). This justifies Freeman et al.'s (2007) stakeholder theory as well as Porter and Kramer's (2011) proposed concept of 'Shared Value Creation' that highlight mutual value creation on the part of both companies and society at large.

Quite uniquely, the Lancaster London's overarching hotel vision starts with a societal concern, which is embedded in an 'outside-in' organizational perspective. To also translate sustainability challenges into business opportunities, making 'business sense' of environmental and societal issues. is a novel approach. In this regard, the Lancaster London appears to possess an eco-social advantage, which is about turning negative externalities into business opportunities (Reeves et al., 2012). This is also justified by Peter Drucker's (2003) argument, "Every single social and global issue of our day is a business opportunity in disguise" (cited in Cooperrider, 2008). Moreover, understanding sustainable hotel operations through a holistic vision such as 'We always care', as change of perspective, may very well bring about an understanding of the various interacting components, systems and different stakeholders, happiness of whom is the ultimate purpose of being sustainable in the hotel industry. A holistic worldview necessitates system thinking whereby everything is related in some way and each part and each person in the business can contribute towards more sustainability (Landrum and Edwards, 2009). The hotel industry is not only hotels themselves; it is indeed an open, dynamic and complex system with various interacting components and different stakeholders (Mill and Morrison, 1997; Thanh and Bosch, 2010).

Interestingly, as both the SCALA survey and the company interviews demonstrate, the hotel optimizes triple bottom line values across different bottom lines (social value, environmental protection, profit). Rather than maximizing shareholder value or social profits, the management team focuses on what they perceive as a balanced and sustainable value for business and society (Husted & De Jesus Salazar, 2006), although the frontline staff sees this value creation both as TBL and positive contribution to society. The hotel seeks differentiation in terms of products and services such as the Bee Green Package, the London Honey Show and jogging maps for guests. Value is created not just as a side effect of the hotel business activities, but also as the result of deliberately defined goals and programs addressed at specific sustainability issues (Dyllick and Muff, 2013). The hotel aims to create value for various stakeholders including shareholders, and society at large – regardless of any concern for reputational benefits or enhanced public relations. Furthermore, economic value creation is only seen as an outcome of running a responsible and meaningful business. This is indeed in accordance with the concept of Triple Bottom Line, which measures the multi-dimensional business contributions to sustainability (Elkington, 1997). Coupled with focus on innovation, this can be considered a synergistic search for creating economic, environmental and social value through sustainability efforts (Hart & Milstein, 2003).

Yet, the Lancaster London appears to also contribute positively to the common good (societal well-being) through the various sector specific and cross-sectorial collaborations and relationships in the form of next-practice platforms; in other words, through local cluster development. Next-practices change existing paradigms by questioning the status quo, which lead to sustainability-related change. Sustainability can lead to interesting next-practice platforms that originate from innovations (Nidumolu et al., 2009). For instance, the Trail Blazer in Apprenticeship Scheme, led by the Lancaster London, is a formation among six hospitality organizations (hotels and restaurants) that leads a government initiative in the industry, for the purpose of increasing the capacity of the relatively less skilled workforce typical in the industry. Similarly, the Lancaster Academy that was established in partnership with the Institute of Hospitality is an example of a cross-sectorial collaboration with the Ministry of Education to increase the know-how of the skilled, as well as the capacity of the young unemployed.

One of the most important interview findings that present an opportunity for the Lancaster London's development and progressive sustainability strategies was enhancement of a more engaged organizational culture, as the most widely cited challenge the Lancaster London faces in implementing sustainability initiatives. The need for more employee engagement is also reflected in the SCALA survey findings where, in general, Executive/Senior Managers are more positive than Middle Managers who, in turn, are more positive than the Front Line Staff on almost all of the interval scale items. There are also differences in nominal scale items such as what led the company to start addressing sustainability issues. Front Line Staff chose "to engage employees" more often than did Executive/Senior managers, and the Executive/Senior Managers chose "desire to improve efficiencies" more often than did the other two groups. Likewise, Executive/Senior Managers and Middle Managers chose "awareness of our responsibility to the environment" more often than did Front Line Staff. More positivity on the management side can be considered as a good sign of strong leadership commitment. As previous research shows, organizations that have strong leadership commitment are more likely to succeed in reaching sustainability-related goals (Eccles et al., 2012b). Yet, the findings also signal the need for an area of improvement in employee engagement as part of a more inclusive culture.

While leaders may initiate change by creating a new vision, it is the social interactions that create the common understanding and shared vision that predicate action (Demers, 2007). It is at this stage that organizational

culture comes into play, as for many organizations the problems seem to be rooted in a mismatch between some specific aspects of the dominant culture and the sustainability goals and strategies (Miller-Perkins, 2011). Company leaders most often feel confused about the big question: 'Better to set goals to match the current dominant culture, or better to change the culture to align with the goals they wish to set?' The answer to achieving this crucial alignment lies in the underlying reasons for making the commitment to sustainability in the first place. Finally, regardless of which approach the Lancaster London decides to take, the first step will depend on an understanding of the aspects of the organizational culture that are relevant to the sustainability terrain.

## **THE FUTURE**

As Sally finished reading the nicely elaborated case study, she thought about the big question that was raised in the paper: "Should the Lancaster London choose to change its sustainability strategy to match its culture, or should it instead choose to change its culture to align with its current strategy?" She poured another cup of tea and started reflecting on the possible answer.

She knew the Lancaster London had the right vision and goals to serve the well-being of its current stakeholders and future generations, yet it seemed to lack a clear path for achieving them in alignment with the cultural aspects of its corporate culture. The hotel indeed had a flexible, adaptable and externally focused culture yet the frontline staff needed to believe in and adopt every aspect of the 'We Always Care' vision to fully engage in the progressive sustainability initiatives. They needed to feel more valued and as positive as the management team itself in the upcoming sustainability refurbishment period.

Just then, another great idea came to mind. What if the Lancaster London should harness its unique cultural strength of being externally focused and collaborate with BSL in a mutual learning project that would facilitate employee engagement. This would indeed set the stage for another invaluable cross-sectorial partnership...but at the international level: a partnership with a leading Swiss innovator in sustainability education! Going the extra mile with employee engagement and overcoming any potential skeptics among the front line staff would, in turn, foster internal cross-functional integration and an inverted hierarchy that both seemed essential to achieving the Lancaster London's state-of-the-art corporate vision. The setting up of a Lancaster London Well-being Program seemed to be the ideal starting point! "HAPPY TOGETHER AND FOREVER" sounded like a nice name for it.

As she picked up the phone to call BSL, feeling so grateful for the nomination, she placed the case study securely in her briefcase.

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## APPENDIX I

### THE DYLLICK/MUFF BUSINESS SUSTAINABILITY TYPOLOGY

The Dyllick/Muff Business Sustainability Typology uses three elements of a typical business process model: the relevant concerns considered (inputs), the organizational perspectives applied (processes) and the type of value created (outputs) (Dyllick and Muff, 2013). Dyllick and Muff draw attention to the fact that the broader sustainability perspective typically entails social, environmental and economic concerns, in contrast to the traditional business perspective that entails economic concerns only. Regarding the organizational perspectives applied, the authors turn around the traditional ‘inside-out’ perspective that aims to invent, produce and measure within the three-dimensional sustainability aspects, to an ‘outside-in’ perspective that starts with sustainability challenges that lie beyond the company boundaries. Finally, Dyllick and Muff highlight the need for businesses to contribute to the positive common good by going beyond triple bottom line value creation. They envisage true business sustainability as one that contributes to resolving environmental, social or economic issues on a regional or global scale. The typology aims to serve scholars and practitioners by clarifying the drivers and aims of business sustainability (Hashmi and Muff, 2014). As Business Sustainability (B.S) evolves from 1.0 to 2.0 and 3.0 respectively, the relevance and contribution to resolve societal issues increase, with Business Sustainability 3.0 exhibiting ‘true business sustainability’.

BUSINESS SUSTAINABILITY TYPOLOGY	Concerns (What?)	Organizational perspective (How?)	Values created (What for?)
Business-as-usual	Economic concerns	Inside-out	Shareholder value
Business Sustainability 1.0	Three-dimensional concerns	Inside-out	Refined shareholder value
Business Sustainability 2.0	Three-dimensional concerns	Inside-out	Triple bottom line
Business Sustainability 3.0	Starting with sustainability challenges	Outside-in	Creating value for the common good
The key shifts involved:	1 <sup>st</sup> shift: broadening the business concern	3 <sup>rd</sup> shift: changing the perspective	2 <sup>nd</sup> shift: expanding the value created

**Figure 2: Typology of Business Sustainability and their key characteristics**  
(Source: Dyllick & Muff 2013)

At the level B.S.1, a business responds to extra-market business challenges that result from environmental or social concerns that are typically voiced by external stakeholders. Thus, managing economic risks and opportunities takes precedence as a strategy. While the focus is primarily on managing risks, embracing opportunities typically follows later. Existing strategies, outlooks, products and services remain unchanged.

There are often no changes in the corporate structure in terms of governance and leadership focuses on seeking opportunities. There is often a central function or unit in charge of or coordinating response to sustainability challenges, and the reporting is mostly on good news and economic benefits. Primary corporate attitude is basically reacting to societal pressures for the purpose of refined shareholder value.

At the more advanced B.S.2 level, the stakeholder perspective is broadened with the aim of creating social and environmental values in addition to economic value; in other words, the business manages for the triple bottom line through particular programs that are consequently measured and reported. The primary focus is on developing and implementing new strategies and programs that are addressed at specific sustainability issues or stakeholders. The business further reconceives new products and markets. While existing products and services are adapted, new products and services are also developed to improve triple bottom line value creation, yet without questioning their societal value. Sustainability goals are integrated into planning and reporting cycles as well as into management and governance structures, mainly through cross-functional committees, policies and guidelines. Furthermore, sustainability goals and activities are embedded in line functions as part of sustainability implementation. While internal reporting includes differentiated triple bottom line activities and results, external reporting includes reporting on sustainability goals and achievements, which is often externally verified. Primary corporate attitude entails a pattern of active exchange with a broad group of stakeholders for the purpose of social, environmental and economic values (triple bottom line), yet still with an 'inside-out' organizational perspective.

Finally, at the B.S.3 'True Business Sustainability' level, there is a shift in mindset from minimizing negative impacts to creating positive impacts in significant issues relevant to the society and the planet. This derives from an 'outside-in' organizational perspective, unlike those prevalent in the lower levels of business sustainability. Capabilities and resources are re-defined to resolve societal issues that form the baseline for new strategies, business models, products and services. At this advanced level, companies engage in changing the collective rules of the game through sector-wide or cross-sectorial strategies. The primary focus is on societal concerns that supersede focus on customers. Furthermore, markets and strategies derive from societal challenges. New products and services are created as a voluntary and proactive response to societal challenges, likely in collaboration with new partners. The company governance structure includes relevant societal representatives who contribute to the relevant decision-making processes throughout the organization. The company re-organizes around the societal issues they address and include new players in these open and dynamic structures. Reporting entails societal value creation with different societal stakeholders. Primary corporate entails a pattern of voluntary, pro-active as well as inter-active collaboration with new players for the purpose of creating value for the common good.

## APPENDIX II

### THE LITERATURE REVIEW

#### Phases of Change towards Sustainability

In the face of troubling scientific facts and figures about the diminishing planetary resources and increasing societal challenges such as social equity, gender equality or poverty, an accelerating number of hotels have started to engage in some sort of sustainability-related hotel practices over the past few years. A sustainable hotel operation, according to the American Association, Green Hotels, is the following: 'Green Hotels are environmentally sustainable properties whose managers are eager to institute programs that save energy, save water and reduce solid waste while saving money to help protect our one and only earth'. Sloan et al. (2013), on the other hand, define a sustainable hospitality operation as 'a hospitality operation that manages its resources in such a way that economic, social and environmental benefits are maximized to meet the need of the present generation while protecting and enhancing opportunities for future generations'. While Green Hotels' definition highlights the business case for hotels based on environmental friendliness, Sloan et al. (2013) refer to a broader meaning of sustainable business that sees sustainability as managing for the Triple Bottom Line (people, planet, profit) values of sustainability – a process by which firms manage their financial, social and environmental risks and opportunities (Network for Business Sustainability, 2012).

Indeed, corporate leaders are feeling pressure to address environmental and social concerns along with financial performance (Holliday, 2001; Livesey and Kearins, 2002). Goodno (1994) argues that hotels are situated in a context squeezed between the push of legislation, the pull of consumer pressure groups and economic concerns related to cost savings. Hotels have focused primarily on cost savings as the initial step in their multi-faceted sustainability journey (Chong and Verma, 2013). As cost savings are largely associated with 'green' practices, several authors have long criticized the tourism industry, particularly the hotel industry, for their intense focus on the environmental dimension to become 'sustainable' (Font and Harris, 2004; Roberts and Tribe, 2008). Yet, environmental initiatives can be the stepping-stone towards sustainability and hotels could evolve to include social and ethical aspects as well as integrate in the community (Kernel, 2005).

A review of literature, in fact, suggests that companies often go through phases starting with simple, easy-to-implement strategies and progressing towards more complex and potentially rewarding approaches (Mirvins and Googins, 2009; Hoffman and Bansal, 2012). As companies evolve through the phases, they assume more complex responsibilities, increase their interactions with stakeholders, and strive to align their business model or corporate culture with sustainability goals. (Miller and Serafeim, 2014). Nidumolu et al. (2009) posit that the first steps most companies take in the long sustainability journey usually arise from the law. Similarly, a 2009 BCG Report 'The Business of Sustainability' found that the biggest drivers of corporate sustainability investments were government legislation, consumer concerns and employee interest in sustainability; of which, government legislation was the principal driver of sustainability efforts by nearly all the industries analyzed. While the nature and number of phases differ, nearly all hotels first engage with sustainability by focusing on legal compliance, for the purpose of managing economic risks and opportunities, saving costs and increasing shareholder value.

However, a more recent study found that only 9% of survey respondents who said they adopted sustainability strategies as a result of legislation reported that their sustainability practices added to their profitability (MIT and BCG Report, 2012). Thus, smart companies comply with the most stringent rules and do so before they are enforced, simply to harness substantial first-mover advantages in terms of fostering innovation (Nidumolu et al., 2009). As Bronn & Vidaver-Cohen (2009) assert, it is actually more desirable for businesses to have less regulation in order to have more freedom in decision-making to be able to meet market and social factors. Yet, a 2012 Gram Green Paper <sup>15</sup> into the UK hospitality industry's attitudes towards sustainability, for instance, shows that although 83% of hoteliers want their business to be greener than it is now, the majority of hoteliers (53%) actually believe that they do not have the financial resources to realize this ambition, largely citing budget restrictions as the main barrier (William Reed Business Media, 2014).

In addition to legal standards, hotels also feel compelled to abide by voluntary codes – general ones, such as the Greenhouse Gas Protocol, or sector-specific ones, such as the Green Tourism Business Scheme (GTBS), to exhibit socially responsible behavior. Once hotels have learnt to manage risks and efficiencies through compliance, many of them further evolve to engage in some sort of Corporate Social Responsibility (CSR) activity such as charity projects and community involvement that reflect deeply held values. Some even go further and become proactive about environmental issues to make their value chains sustainable. Although the initial aim making value chains sustainable is usually to create a socially responsible corporate image, most companies capitalize on reduced costs or creating new businesses as well (Nidumolu et al., 2009). Deale (2013) asserts that hotels aim to increase efficiencies throughout the value chain with separate CSR activities in the form of donations of goods, services and more recently volunteer hours. In the hotel industry, CSR Projects are believed to lead to guilt-free hotel operations, enhanced corporate reputation in the eyes of eco-minded hotel guests and even attraction of new guests (Euromonitor International, 2012).

Hitchcock and Willard (2009) assert that CSR leads to positive public relations, legitimacy and improved corporate image with shareholders and community; and thus can be a differentiating factor and a source of competitive advantage for businesses. Legitimization can be a valid driver of sustainability by both large and small hotels although methods and motivations for societal legitimization would differ between small to medium hotels (Font et al., 2014). A previous study shows that large hotels, hotels with a classification between 3 and 5 stars and chain hotels were more likely to experience positive CSR benefits than small, 2 star classified and independent hotels (Kirk, 1998). Interestingly, this search for competitiveness is based on the assumption that CSR and corporate financial performance (CFP) are positively related (Carroll and Shabana, 2010). Yet, extant research finds positive, neutral and negative relationships between CSR and CFP, making this relationship debatable (Griffin and Mahon, 1997; Margolis and Walsh, 2001). Furthermore, there are two pitfalls associated with traditional CSR strategies: firstly, business is pitted against society rather than recognizing their interdependence, and secondly, CSR is relatively a defensive concept rather than a strategic lens (Porter and Kramer, 2011).

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<sup>15</sup> Gram is the UK's leading refrigeration supplier with over 35 energy efficient products listed and takes its commitment very seriously with its strong presence on the Energy Technology List (ETL). For 2012, Gram has teamed up with the leading channel associations within the industry including: Considerate Hoteliers Association, LACA (Local Authority Caterers Association), NACC (National Association of Care Catering), Sustainable Restaurant Association and TUCO (The University Caterers Organization), to produce a third Green Paper to add to its legacy.

Once hotels have enjoyed the benefits of managing legal compliance coupled with voluntary CSR practices, they see themselves integral to society. It may well be this relatively recent concept of CSR that provides an understanding of evolution in the meaning of sustainability from 'green' to 'sustainable'. They tend to easily recognize the relevance and the need to respond to social and environmental concerns along with economic concerns. This is often the outcome of a radical shift in mindset from doing things better to doing new things. They simply move from operational optimization and 'defensive' CSR activities towards a strategically focused organizational transformation phase (Antonis et al., 2011; Visser, 2010). This shift is argued to be the result of recognition that current models of CSR have largely been ineffective at solving societal challenges (Visser, 2010, Moore and Westley, 2011, Porter and Kramer, 2011). While traditional CSR programs comprise activities such as employee volunteer programs or charitable giving and philanthropy, 'strategic' CSR reframes sustainability and social benefits as a driver of business innovation, value creation and competitive advantage (Hoivik and Shankar, 2011; Porter and Kramer 2007, p.2).

Thus, in this phase, three-dimensional concerns of people, planet and profit take precedence with a broadened focus on stakeholders. Businesses in this phase of sustainability relate economic, environmental and social concerns to the triple bottom line values of sustainability (Dyllick and Muff, 2013). The concept of Triple Bottom Line (TBL) measures the multi-dimensional business contributions to sustainability (Elkington, 1997). It is a synergistic search for creating economic, environmental and social value through the adoption of sustainability efforts (Hart & Milstein, 2003). Hotel sustainability strategies entail new programs and initiatives that are developed and implemented with the aim of addressing specific sustainability issues or stakeholders.

Developing sustainable offerings or redesigning existing ones to become eco-friendly leads to 'becoming sustainable' (Nidumolu et al., 2009). This is in line with Orsato's (2006) eco-branding strategy which asserts that environmental product differentiation would create greater environmental benefits or impose smaller environmental costs, compared to similar products). Although this may lead to increased operating costs, such differentiation would simply satisfy the green market niche willing to pay a premium for environmentally friendly products (Blanco et al., 2009), which would, in turn, enable the hotel to command a price premium or increase market share (Reinhardt, 1998). A main pitfall of managing for the TBL is the confusion created with regard to measuring and comparing the trade-offs between economic, social and environmental values. While environmental initiatives are easily measurable in the short-term with objective data, social initiatives require a longer time span and subjective data that is harder to measure (Sasidharan et al., 2002). Different social dimensions such as health and education cannot be summed or aggregated since their outcomes are not additive.

A more recent development of TBL is the concept of Creating Shared Value, which argues for economic value creation in a way that simultaneously creates societal value. In this sense, it represents one particular model of implementing strategic CSR in larger organizations. CSV can be defined as creation of meaningful economic and social value whereby new benefits exceed the costs for the business and society simultaneously (Porter and Kramer, 2011). In other terms, it is a business strategy for companies to create measurable shareholder value by identifying and addressing social problems that intersect with their business. This creates new opportunities for companies, civil society organizations, and governments to leverage the power of market-based competition in addressing social problems (Shared Value Initiative website).

InterContinental Hotels Group (IHG), the largest hotel company in the world, for example, identified water and waste as environmental and social issues with significant shared value potential and launched its group-wide

online environmental management system -Green Engage - in 2009 by testing various options for reducing water, waste and energy to lower its environmental footprint while also driving down hotel operating costs. In 2011, Green Engage further became aligned to LEED, making IHG the first hotel company to have an existing hotel program aligned. This way, IHG transparently communicates to its customers the true value of how they are 'saving the planet' by quantitatively measuring environmental performance. Furthermore, the hotel group recognized the need for increased capacity building in the industry and thus set up the IHG Academy to ally with community and educational institutions to give people real-world hospitality knowledge. The IHG Academy raises job skills and creates economic opportunity around the IHG hotels while creating a pipeline of prepared and engaged potential recruits.

A major limitation of CSV is that it overlaps with CSR, thus it is not always clear what builds a 'core' business approach to Shared Value (SV). Furthermore, there is still the need for practical drivers for companies that seek SV, which makes it difficult to make a business case. 'How' of measuring SV is still not completely clear considering the overlapping areas of 'defensive' CSR and CSV. For example, while IHG's Green Engage program aggregates the total cost savings generated by resource use reductions (e.g. water, energy and waste), it cannot compare resource reductions with the workforce development outcomes of its IHG Academy program, although the company could compare the two programs' financial returns. This may be due to the infancy of the concept in the sense that operational tools and measurement of SV have only recently started to be developed (Bockstette and Stamp, 2011). Finally, time lags between improving the competitive context and profit maximization are not deeply explored, partly due to the fact that investments in societal value creation are likely to bring about up-front costs.

Although the concept of shared value creation is a state-of-the-art contribution towards linking corporations to society at large, and thus a progressive leap from the opposing views of shareholder value management (Rappaport, 1988; Friedman, 1970) and stakeholder value management (Freeman, 1984), it is limited to those issues and concerns that emphasize the 'business case' for sustainability and thus economic value for business (Dyllick and Muff, 2013).

In these times of escalating societal challenges however, there is great need for businesses to move forward and become eco-effective or socio-effective by solving sustainability issues of societies (Dyllick and Hockerts, 2002). Social businesses promise a higher effectiveness in addressing sustainability challenges than commercial businesses as the social mission supersedes financial benefits as their primary objective. Felber (2010)'s The Economy for the Common Goods movement (ECG) and Sukhdev's (2012) Corporation 2020 are examples of new business models that support social businesses and social entrepreneurs. Sabeti et al. (2009) highlight a 'fourth sector' of organizations oriented towards social benefits, like government agencies and NGOs, yet unlike them, who are able to earn their income themselves. Similarly, B-Corporation in the US and community interest companies in the UK are some examples of privately owned organizations that prioritize their social mission over economic value creation. Although changing the mindset from the traditional 'business case' to the societal good may be too idealist for commercial businesses including hotels, there is clearly a market for new organizational forms with a clear social purpose (Dyllick and Muff, 2013).

In light of this extant theory and literature, Dyllick and Muff (2013), in their Business Sustainability Typology, posit that a truly sustainable business translates sustainability challenges into business opportunities making 'business sense' of societal and environmental issues. By starting out with societal challenges such public health, poverty, climate change, biodiversity or social justice, a truly sustainable business makes a positive

contribution to society and the planet rather than reduce its environmental impacts only. The authors draw attention to the prevalent 'inside-out' organizational perspective most business approaches derive from, and further highlight the need to frame business sustainability through a different approach – an 'outside-in' organizational perspective – which they believe, will lead companies to true sustainability.

### Significance of a Culture of Sustainability for Implementing Sustainability Strategies

Yet, such an 'outside-in' organizational perspective requires a radical shift in mindset from commercial self-interest to societal good. Caring for the well-being of other stakeholders directly creates value for shareholders (Freeman et al., 2010; Porter and Kramer, 2011), as well as draws attention to the performance implications of a corporate culture of sustainability (Godfrey, 2005; Margolis et al., 2007; Porter and Kramer, 2011). An organization's culture guides the decisions of its members by establishing and reinforcing expectations about what is valued and how things should be done. Thus, culture is often described as 'the way we do things around here.' (NBS, 2010). Over time, a company builds up its own culture and this culture is continuously reinforced and reshaped through the daily practices of its members. Although there is a lack of consensus regarding a common definition of the term 'organizational culture' (Ashkanasy et al., 2000), there is a range of definitions from shared values, ideologies and beliefs (e.g. Schwartz & Davis, 1981), to notions of accepted behavioral rules, norms and rituals (e.g. Trice and Beyer, 1984), and most commonly, shared patterns of meaning or understanding (Louis, 1985; Smircich, 1983).

Corporate culture describes and governs the ways a company's owners, management and employees think, feel and act. A company's organizational culture can be founded on beliefs included in its vision or mission statement. Organizational culture can be a useful tool for organizational change programs as the values and ideological underpinnings of a company's culture affect how sustainability is implemented (Cameron and Quinn, 2006; Jarnagin and Slocum, 2007). Thus, it plays a vital role in the success or failure of sustainability strategies in becoming a truly sustainable business (Miller-Perkins, 2011).

In this case study, a culture of sustainability, thus, is one in which organizational members hold shared assumptions, values and beliefs about the importance of balancing economic efficiency, social equity and environmental accountability. (NBS, 2010). It is assumed that a stronger culture of sustainability is attained if values and beliefs underlie the mission or vision of the organization. Furthermore, a culture of sustainability has been found to increase the effectiveness of leadership commitment and external stakeholder engagement, which, in turn, fosters trust, innovation and mechanisms for execution (Eccles et al., 2012a).

To date, however, the role of leaders' values has been largely overlooked in the discourse on execution of CSR activities and sustainability performance (Orlitzky et al., 2011). Emerging research demonstrates that corporate success depends on leaders' perceptions of and actions on the challenges and demands of CSR and Corporate Social Performance (CSP) (Waldman, 2011). Indeed, degree of accountability towards others and breadth of stakeholder group focus have been found to determine various responsibility orientations of leaders (Pless et al., 2012).

Pless et al. (2012) identified four orientations that leaders may use to exhibit responsibility and implement CSR: Traditional Economist, Opportunity Seeker, Integrator and Idealist. While the Traditional Economist has an orientation of short-term economic value creation aimed at shareholders, the Opportunity Seeker takes on social responsibility as part of the strategy of longer-term value creation with the aim of realizing competitive

advantages such as a better reputation or new market opportunities. These two orientations imply a low degree of accountability towards others and are limited to legal and economic concerns. Orientations of idealistic and integrative leaders, however, derive from a broader degree of accountability to go beyond these two concerns and include business responsibilities that are relevant to society as a whole (e.g., sustainability challenges). While the Integrator considers profits to be an outcome that is likely to result from running a purposeful and responsible business for multiple stakeholder groups, the Idealist sees leadership as a servant-based responsibility and aims to serve the needs of a specific stakeholder group (Van Dierendonck, 2011).

Understanding cultural elements of organizations foster successful execution of sustainability strategies. Attitudes towards specific aspects of sustainability such as leaders' values concerning environmental and social issues are certainly relevant as the above-mentioned most recent research highlights. Yet, specific characteristics of culture such as flexibility, external orientation, stability, control and tolerance for ambiguity could be equally significant, to manage challenges in execution even when the organization's sustainability strategy is well set and clear (Miller-Perkins, 2011).

Thus, the Lancaster London case study has been crafted in light of the Dyllick/ Muff Business Sustainability Typology as well as Lancaster London's organizational culture, to better understand the framing of its business sustainability in the sustainability journey.

