

A Hotel Case Study:

**BEECHENHILL FARM HOTEL'S MEANINGFUL LEGACY:
Evolving from the Sustainability of Business towards the Business of
Sustainability in Hospitality**



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THE CHALLENGE

While having one of her routine daily walks in the peaceful open moorlands, farmlands, and wooded valleys of the Staffordshire Peak District National Park where Beechenhill is located, Sue Prince Order of the British Empire (OBE)¹, owner and manager of the Beechenhill Farm Hotel paused along the Dovedale Gorge, to reflect on the sustainability initiatives of her family-run eco-hotel. To Sue, sustainability was not purely compliance to environmental legislation, nor was it a marketing tool; it was something she had threaded into the very core values of her family business. Her experience in the farmlands and her love of the Peak District had led her to create a sustainable hotel business from the ground up.

As a folk artist and OBE, Sue believed her creativity in arts had not only contributed to her decision to diversify into the tourism business, but also to the greening of farming and tourism in the protected environment of the Peak District National Park. Over the years, she had not only been exploring innovative, practical and appropriate ways of addressing rural efficiency, dealing with economic pressures and reducing the carbon footprint of her family's tourism business in this fascinating National Park, but also, and perhaps more importantly, she had been striving to share her sustainability know-how with a broader audience of influencers, planners, small businesses, government bodies, individuals and holiday guests. 'Success' for Sue was grounded in her own circumstances, which at times, meant managing the family business based on sustainability values. Thus, she believed that the secret of Beechenhill's success in sustainability was making the 'eco experience' at Beechenhill celebratory and fun for visitors; and the message she wanted to convey was: *"If we can do it in such a protected environment, so can you... and here's how"*. 'Walking the walk and talking the talk' while sharing her successes and hardships had indeed been the building blocks of her 'sustainable' hotel business. But she also knew in the depths of her heart that sustainability was (for her daughter Alex, an ex-primary school teacher, and her husband Rob, a technical expert, who had both joined the family business in 2010) still a concept that needed further infusion in their hearts as well as in their minds.

Having successfully linked their farm business with tourism, Sue and her husband took the essential first steps of going 'green and organic' in Beechenhill's sustainable farm hotel venture. Even though it was evident (after having earned recognition as one of the UK's most sustainable small hotels,) that Beechenhill's hospitality business was headed in the right direction, she decided that they ought to, as their 'novel next step', pursue perfection in the sustainable hotel business- a target towards which they had already been progressively advancing.

However, she felt the need to have certain aspects of her family's sustainability culture assessed by an objective third party, to ensure Beechenhill's continued success in sustainability, as she was on the verge of handing over a meaningful legacy to her prospective heirs. Maybe Beechenhill's recent nomination for the Business School Lausanne's Sustainability Innovation Award and the academic Beechenhill case study that had been crafted and presented to her therein would shed light on the delicate, thought-provoking link between Beechenhill's current sustainability orientation and the continued success of its future sustainability strategy. In her farmhouse office, that boasted a distinctive view of the magnificent Manifold Valley, after grabbing a cup of freshly brewed fair-trade tea into which she had poured a generous amount of their award-winning organic milk, Sue continued the easy-to-read, coherent case study compiled by the Business School Lausanne. It read...

¹ The Order of the British Empire (OBE) recognizes distinguished service to the arts and sciences, public services outside the Civil Service and work with charitable and welfare organizations of all kinds.

INTRODUCTION

This case study analyzes Beechenhill Farm Hotel's business sustainability positioning as a successful and leading sustainable hotel in the hospitality industry. A sustainable hotel, at its best, refers to a hotel that voluntarily implements sustainable practices to reconcile social, environmental and economic concerns, and to create triple bottom line (people, planet, profit) values (Sloan et al., 2013). Motivations and practices relating to these largely three-dimensional concerns differ depending on the hotel size as well as its brand or chain affiliation. Yet, the existing sustainability literature either focuses on the business case for large corporations that engage in sustainable or labels other efforts as merely socially responsible practices. Small to medium enterprises (SMEs) and family-owned and managed hotels have been given little attention throughout the service sector and especially in the hospitality industry.

The primary reason for this is that, in comparison with large corporations, SMEs have different motivations, challenges and practices (Morsing and Perrini, 2009). Furthermore, while large corporations engage with sustainability more often through formalized plans, policies and strategies, SMEs, which are in general managed by their owners, engage in sustainability initiatives through lifestyle choices and habits informed by values rather than conscious actions (Matten and Moon, 2008). Decision-making in family businesses often reflect the owner-manager's personality and characteristics and shape its culture, values and habits whereas larger business concerns are, more often than not, shaped by economic concerns such as profit maximization or market share (Fassin et al., 2011). While small tourism enterprises have the advantage of being flexible enough to react quickly to address sustainability issues, they also have the disadvantage of lacking information on market demands and business opportunities (Condon, 2004). They often grapple with insufficient resources such as finances, time, limitedness of space and type of building (Font et al., 2014).

A review of the literature suggests that nearly all hotels first engage with sustainability for cost reduction and resource efficiency reasons to accrue a direct operational and internal benefit and gain a competitive advantage. This rather economic focus on sustainability is further encouraged by government policies and legislation that emphasize the business case of sustainability, aimed at increasing the sustainability engagement of the private sector. Yet, some hotels go further than economic concerns and take sustainability actions visible or expected by others. In such cases, societal legitimization or stakeholder relations can be considered another motivation to understand sustainability-related practices of hotels, characterized by various stakeholder interests that are integrated into the sustainability decision-making. However, it is often the case that owners of most small to medium-sized hotels also manage these hotels, and so owners' values and lifestyle play a significant role in their sustainability-related motivations and initiatives. Thus, lifestyle and moral values, rather than competitive elements that have traditionally dominated the literature, may largely account for their business sustainability level in the first place.

A review of the literature also suggests that although small to medium sized hotels are prevalent in the hospitality industry, there is scarcely any evidence in the few best practice case studies in which sustainable hotels' motivations, challenges and practices are demonstrated. Indeed, the business implications of sustainability in small businesses merit greater scrutiny, as consumers and the public generally associate smaller companies with 'green' consciousness (Hoffman, 2000).

It has long been argued that SMEs' owners/managers have a good grasp of sustainability concepts without knowing the theory (Fassin et al., 2011). There are few studies that analyze SMEs' CSR/sustainability practices from a qualitative perspective, and the assessment of a best practice's business sustainability

positioning with regard to motivational concerns, organizational perspective and value creation, as well as certain aspects of its sustainability culture, is still to be explored.

In the sustainability literature, organizational culture serves as an invaluable tool to explain a company's sustainability orientation and progressive sustainability strategies. However, there is very little theoretical underpinning the relationship between sustainability-related organizational culture dynamics and the business sustainability levels of small family-owned and managed hotels. Owners/managers are considered to be the major decision-making forces of businesses, and their view of what constitutes sustainability, influences their willingness to implement the concept (Spence et al., 2003). Thus, understanding the values represented by owners/managers of small to medium sized businesses is crucial in understanding how its sustainability journey evolves. Extant literature reveals that small businesses tend to be independent, managed by owners and characterized by multitasking, a limited flow of money and a personal relationship management style. Thus, small businesses differ from their larger counterparts not only in size but also in nature (Holliday, 1995). Given the general characteristics of small to medium sized hotels, we think that it is crucial to consider factors related to the owners'/managers' values, habits and sustainability orientation.

More importantly, due to their size and their scope of operation, small hotels are embedded in the networks or communities and these present many opportunities to develop sustained relationships and socialization (Nahapiet and Ghoshal, 1998). Thus, sustainability actions to influence stakeholder perceptions becomes imperative for small hotels, especially those in protected environments, to gain social capital that shapes their relationships with their environments (Werner and Spence, 2009). Social capital is defined as "the nature of power and meaning that exists as structures and mechanisms guiding every day social practice" (Fuller and Tian, 2006). This includes intangible assets such as trust, legitimacy and reputation, which are often influenced through behaving responsibly towards customers, suppliers and society in general (Russo and Tencati, 2009). Adler and Kwon (2003) also argue that since small enterprises are normally embedded in their local communities, as in the case of Beechenhill, developing social capital becomes essential for their sustainability. This social capital, which resides in the value of the individual or organization's network, is achieved through engagement and contribution to those communities. Thus, the concept of social capital is suitable for understanding the business sustainability level of small and independent hotels.

In the Beechenhill Farm Hotel case study, we therefore seek to discover certain aspects of Beechenhill's sustainability culture, which is a major contributor to its social capital, and assess its contribution to the hotel's overall business sustainability positioning based on the Dyllick/Muff Business Sustainability Typology (Dyllick and Muff, 2013). Considering Beechenhill's organizational culture could well explain the hotel's distinct profile and its successful implementation of sustainability- even in a protected environment such as the Peak District National Park where the hotel is located.

Thus, the main research goals of this case study are to:

1. Assess the business sustainability position of the Beechenhill Farm Hotel as a best practice family-owned and managed hotel in the hospitality industry.
2. Understand how Beechenhill got to its current business sustainability position through transformational shifts in its sustainability journey and in its organizational culture.
3. Identify the organizational perspective (approach) through which Beechenhill 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 and to facilitate an exchange of know-how both among practitioners as well as academia and the business world.

The Dyllick/Muff Business Sustainability Typology (**Appendix I**) was chosen as the optimal overarching framework to guide the case, as its typology is particularly helpful in understanding the business sustainability motivations and practices of companies in regard to today's and tomorrow's sustainability challenges. The typology uses the three elements of a business process model, which are: concerns, processes (approach) and value creation, all of which have so far remained an under-explored issue in the sustainability literature.

The structure of this case study is as follows: First, a review of the literature on the phases of change towards sustainability in the hospitality industry was conducted, to understand the motivations of hotels to move beyond compliance, to more complex and demanding strategies. Second, the case study methodology is explained. Third, our findings are presented in a way to reinforce an understanding of the different sustainability phases in Beechenhill's timeline. Fourth, Beechenhill's sustainability journey is developed. Fifth, Beechenhill's business sustainability positioning is discussed in the light of the Dyllick/Muff Business Sustainability Typology. Sixth, Beechenhill's values-based sustainability culture is described. These findings are then contextualized in a discussion, which relates to the broader field of research on sustainability and organizational culture. Seventh, to ensure the success of the hotel's progressive sustainability strategies, the conclusion is made that the Prince family's values, mindset, lifestyle, habits and routines largely contribute to the hotel's success as a leading sustainability role model.

While the findings do not allow us to make any definitive claims about how the family business values and owners' lifestyles and habits affect the financial performance of Beechenhill, the survey and interview data are used to reinforce recent research about the crucial role of embedding some aspects of sustainability into the personal values and lifestyle choices of a family business in a protected area. Our first main finding suggests that Beechenhill's extensive network of stakeholder relationships constitutes the heart of its social capital, and is driven by sustainability-related knowledge sharing, and communicating the success and failure of sustainability efforts transparently. Our second main finding suggests that Beechenhill's overarching mission statement is a very good example of a business that creates triple bottom line (TBL) value. Although communicating sustainability messages, and sharing sustainability know-how, make positive contributions to social value creation, Beechenhill largely leverages its social capital to please its direct stakeholder group and 'please the planet' simultaneously-ensuring their guests return. Our third main finding relates to why this is the case. We find that the owner-manager's strong sustainability values and sustainable lifestyle choices are important contributors to the hotel's social capital, and play a key role in the hotel's TBL value creation.

Our analyses suggests that in terms of its sustainability timeline, Beechenhill's sustainability strategy has, over the years, evolved from a fairly compliant and economically sustainable business strategy into a more balanced, three-dimensional strategy that aligns its social, environmental and economic concerns in an integrated approach. Complying with laws and regulations as well as with voluntary third party accreditation criteria, Beechenhill has successfully gained recognition as an exemplar organic farm hotel that reduces the environmental impact of an integrated farming and tourism business on a protected landscape. Furthermore, over the past couple of years, the farm hotel appears to have gone further, focusing on not only caring passionately about the environment, but also on engaging with a multitude of stakeholders in sharing their sustainability experience and know-how to educate others. This can be considered as a shift of focus from the 'business case of sustainability' toward the 'business case for

sustainability'. It is a novel approach to have deliberately defined goals that create social and environmental values that transcend economic parameters.

As far as Beechenhill's current business sustainability level is concerned, Beechenhill possesses all the criteria associated with a business that manages for the Triple Bottom Line (people, planet, profit). The hotel aligns its social, environmental and economic concerns with the TBL values of sustainability in an integrated approach with a broadened stakeholder perspective. Its mission statement emerges from the multi-dimensional concerns of TBL values, largely from the traditional focus on guests. The value proposition clearly reflects the three dimensions of the TBL. Beechenhill's primary stakeholders are visitors and guests, yet its concern is not only with pleasing guests, but rather sharing with them, engaging them, and educating them about sustainable practices such as sustainable living and sustainable transportation. This way, Beechenhill not only contributes to environmental value creation but also to social value creation, both of which further contribute to its economic sustainability.

In terms of organizational culture, Beechenhill's success in sustainability appears to have come from the owner-manager's values, which all family members truly believe in. Such a value-driven sustainability orientation justifies the hotel's strong culture of sustainability, which is built on integrity (treating guests with helpfulness, fairness and compassion), honesty (listening hard and telling the facts of sustainability), respect (acknowledging and sharing the sources of inspiration and knowledge), quality (using the best materials and products), service with heart (community at work and having fun), and environmental awareness through action (decreasing environmental impact and having the desire to continuously innovate and improve to differentiate itself from others). Furthermore, the owner-manager's personal leadership style reflects a combination of both feminine and masculine values, which is ideal in a multi-faceted field like sustainability. Finally, Beechenhill's social capital resides in the value of the owner-manager's and the family's network, which is continuously reconstructed through the communication of sustainability achievements and awards and the sharing of their success (and failure) with others.

Thus, this case study provides a nuanced analysis of how Beechenhill, as a small family business, engages sustainability as a best practice in the hospitality industry. This case draws attention to how the owner-manager's strong sustainability values and sustainable lifestyle choice contribute to a successful sustainability performance in small family-run hotels. The case study is one of several produced by the Business School Lausanne that aims to provide best practice examples for implementing business sustainability in different industries and settings. This case aims to serve the Beechenhill farm hotel but also other sustainability-oriented hotels in their journey toward becoming truly sustainable businesses by translating sustainability challenges into business opportunities. A limitation should be pointed out also. It is highly likely that our findings are only applicable to small and medium sized businesses located in protected areas.

METHODOLOGY

In this case study, two interrelated methodologies were used to gather data on the Beechenhill farm hotel. A Sustainability Culture and Leadership Assessment (SCALA) Survey was conducted- using hard copies-to understand certain aspects of the Lancaster London's sustainability culture, as well as primary elements of the 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). The Typology was also used as the overarching framework to craft semi-structured interview questions that would provide a more detailed and clearer picture of the Beechenhill farm hotel's business sustainability level in the sustainability journey. The study provides insights into the Beechenhill Farm Hotel's business sustainability level and organizational culture and emphasizes the important role an owner-managers' personal values and family culture play in the successful implementation of sustainability strategies in small to medium-sized hospitality businesses.

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.

The SCALA survey serves to contribute to research objective 2 in the 'Introduction', which aims to explore the transformational shifts in Beechenhill's timeline as well as in its organizational context. The SCALA data helps one to understand the impact of and changes in organizational culture and also contributes to the understanding of an overall business sustainability level and how it was achieved in research objectives 1 to 3. Collecting data through the SCALA Survey also helps to understand how certain aspects of the Beechenhill's family-oriented organizational culture supported or hindered the development of sustainability initiatives, as well as how these initiatives influenced its culture. In addition, it 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 in 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 awareness of the importance of personal values and beliefs that could lead to future health and well-being initiatives. These 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 in a possible '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 consisted of four family members, who were the only permanent staff at the Beechenhill. The survey was administered as hard copies for ease of following up the survey turnarounds by the researcher who was accommodated at the hotel and also conducted the interviews. It was conducted in April 2014 and yielded quantitative data that complemented the qualitative data from semi-structured interviews and the literature review.

The Interviews:

The interviews aimed to explore research goals 1 to 3 and to shed light on the business sustainability position of the Beechenhill farm hotel in detail. The sample for the interviews was chosen from the hotel's internal and external stakeholders who appeared to have extensive knowledge of and engagement in the Beechenhill's sustainability journey. The interviews were preceded by an initial phone interview with the owner manager of the hotel as the key informant. The researcher further worked in collaboration with the owner manager in choosing interviewees, based on their level of experience and engagement in the sustainability initiatives. The total number of interviewees listed was 12. 10 participated in the study. Some of the potential interviewees were not available during the interview period. The interviews were ultimately conducted with four Beechenhill family staff members and six external stakeholders. The following is a detailed list of the interviewees:

NAME	TITLE	YEARS OF ENGAGEMENT WITH BEECHENHILL'S SUSTAINABILITY INITIATIVES
Sue Prince	Owner-Manager	30 years
Terry Prince	Farm Operations Manager	30 years
Alexandra Gray	Accommodation and Events Manager	5 years
Rob Gray	Hotel Operations Manager	4.5 years
Dr. Andy Tickle (External stakeholder)	Director of the Friends of the Peak District Charity	10 years
Dr. Xavier Font (External stakeholder)	Professor in Sustainable Tourism at the Leeds Metropolitan University; manager of a consultancy service for small firms to audit their sustainability marketing and communications	More than 5 years
Ruth Nutter (External stakeholder)	Freelance Project Manager for an arts program, a repeat Beechenhill guest	6 years
Faith Johnson (External stakeholder)	Director at The Environmental Quality Mark Community Interest Company	10 years
Diane Roberts (External stakeholder)	Acting Staffordshire Business & Environment Network (SBEN) Manager at the Staffordshire County Council	More than 5 years

Cathy Bower (External stakeholder)	Wedding Photographer at Indigo Photography	More than 5 years
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Table 1: Interviewee List and their Engagement with Beechenhill

As can be seen from the list above, nine of the ten interviewees have more than five years of engagement with the hotel’s sustainability initiatives and thus were able to easily provide invaluable insights into the hotel’s sustainability orientation that has been evolving over the past few years. The interviews were conducted in the social room at the hotel. They were administered in person from April 23rd-May 2nd 2014. Prior to the interviews, interviewees were contacted by the researcher and were provided an outline of the interview question topics. Each interview lasted approximately 50 minutes.

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 throughout the case study.

THRIVING ON SUSTAINABLE THINKING IN A PROTECTED LANDSCAPE

Beechenhill Farm hotel is a relatively small, 37-hectare organic ²dairy farm in the Staffordshire Peak District National Park³ in the center of rural England, which offers eco-tourism accommodation (including facilities for wheelchair users), eco-weddings and conferences. The farm hotel lies between Ilam and Stanshope in the Limestone Plateau Pastures of the White Peak. Perched on a south-facing hill above the picturesque village of Ilam on the Staffordshire, Derbyshire border, Beechenhill cares passionately about the environment and tries to be as sustainable as possible, priding itself in being one of UK’s leading sustainable small hotels.

The National Park landscape, which has developed as a result of thousands of years of farming, is recognized by the nation as an exceptionally valuable one, and is key to Beechenhill’s success as a tourism business. For Beechenhill, the landscape is indeed an important part of their lives and business. The landscape is well worth caring for, not only because they appreciate it and proudly look after it but also

² Organic farms are farms where organic farming is carried out, and food of optimum quality and quantity are produced, using methods that seek to co-exist with, and not dominate, natural systems. Organic farming maximizes the wildlife and landscape value of productive farmed land as well as non-farmed areas. Organic farming relies on sound rotations, natural nitrogen fixation, biologically active soil life, recycled farm manures and crop residues, appropriate cultivation, biological pest control and ethical livestock systems.

³ ‘National Parks are the most beautiful and dramatically different expanses of the country in England and Wales where people can enjoy a wide range of open-air recreation’ as the Countryside Agency states. Ten National Parks were established during the 1950s. More areas are currently being proposed. National Parks are run by National Park Authorities, which is a public body made up of two groups of people – members and officers.

because it supplements a proportion of their family income. The owner-manager and her family, for instance, designed a farm trail at Beechenhill to enhance some landscape features. They share information and understanding about the environment with their guests who enjoy being able to explore and learn about their farm and its environs. The family considers farming in the Peak District National Park to be a positive and beneficial experience, and this is reflected in Beechenhill's diversified business model where tourism and farming are firmly integrated in this protected landscape. In the Peak District, one cannot thrive without the other, and diversification plays a key role in the sustainability of the two thousand five hundred farms located in the Peak District National Park.

The family-run farm hotel strives to be sustainable through reducing its environmental impact, enabling others to experience and appreciate a sustainable lifestyle, supporting its local community and contributing to the global community. Addressing rural resource efficiency, economic pressures and reducing the carbon footprint of the farm and tourism business in ways that protect the National Park, are the overarching drivers for the owners of Beechenhill, as stated in owner-manager Sue Prince's following quote:

"The pristine protected landscapes of England are under ever increasing pressure. As we face the challenges of climate change, a steadily increasing population and economic difficulties, people everywhere try to find economic solutions. Some of these solutions could increase the risk to our protected landscapes, and once we have lost them, they can never come back."

Thus, in order to fully *walk the walk and talk the talk*, Beechenhill has long considered sustainability in all its daily decisions and operations: The farm hotel gradually replaces equipment and exchanges inefficient, eco-unfriendly systems with more sustainable versions. Local organic produce is Beechenhill's first choice in food purchasing, followed by British Organic and British Fair Trade produce, respectively. Furthermore, as Beechenhill is an organic farm, no synthetic chemicals are used on the thirty-seven hectares. The farm is carefully managed to encourage flora and fauna, using only clover and composted manure to support fertility and encourage insect life, which in turn attracts birds. In addition to eco cleaning products and recycled paper, there are recycling and composting facilities for guests and all farm waste. Finally, while the farm's main income is from organic milk, the Bed & Breakfast (B&B) generates its main income from eco-weddings organized in the Hay Barn.

The accommodation section consists of two rooms in the main building, (one double and one family room); a romantic cottage for two; and a converted barn for six, (including wheelchair users.) Thus, groups of up to 14 can be accommodated in comfort during reunions, get-togethers and celebrations. The farm also boasts a Swedish-style hot tub, heated cave and barrel sauna with outdoor shower and fireplace. The warm Hay Barn is at hotel guests' disposal, and there is also an eco-venue for hire (for conferences, courses, weddings and ceremonies of up to sixty people.) The farmhouse breakfasts are prepared with a wide range of local and organic produce such as cereals, fruit, homemade organic yoghurt, porridge and bread as well as homemade jam and honey from the farm.

70% of Beechenhill's guests are repeat customers who are always keen to see the new developments on the farm, from the dry stone wall along the drive to the trees planted in the Millenium avenue where trees are planted by Beechenhill on behalf of guests. This is reflected in the following quote:

"The secret of our success in sustainability is making the 'eco experience' at Beechenhill celebratory and fun for visitors, as well as sharing our eco experiences." Sue Prince, Owner-manager, Beechenhill, 2014

The family can learn from many repeat customers, businesses and organizations demonstrating good practice. Learning from good practice and sharing success indeed lie at the heart of Beechenhill's success. For Beechenhill, creating environmental awareness, to a large extent, starts with guests' eco experience at the hotel. Beechenhill values its guests' feedback and continuously builds on it. The 2014 Beechenhill eco-survey (shared by the family with its various stakeholders) "How is Beechenhill doing eco-wise?" (<https://www.surveymonkey.com/results/SM-65CXFCH/>) highlights Beechenhill from a guest perspective.

The Beechenhill eco-survey had 49 respondents (both repeat and first time Beechenhill guests), and was administered through an online survey tool (SurveyMonkey), the link of which was included on the Beechenhill website during the months of April and May 2014. The survey consisted of eight questions that the Beechenhill family members thought were important to know to be able to progress in their sustainability journey. Some of the questions were: the frequency of guest stays at the hotel; what guests think of Beechenhill as an eco-holiday place; the eco-friendly additions that respondents noticed at Beechenhill (those which they thought were important and which they already do at home or what they might start to do at home); what respondents thought about Beechenhill's eco-friendly performance; and how likely it was that respondents would recommend the hotel to family or friends as an eco-holiday place.

When asked about how well guests thought the hotel was doing in providing them with an eco-friendly place to stay, twenty-four out of forty-nine respondents (57.14%) mentioned that they enjoyed themselves more because Beechenhill is so eco, while seventeen respondents (40.48%) mentioned that the hotel's outstanding eco-friendly performance was the reason why they keep coming over and over again to Beechenhill. Furthermore, when asked about what respondents have seen in other places that they think Beechenhill should be doing to make their stay even better for them and the planet, the majority of the twenty-one respondents (twenty-eight respondents skipped this question) mentioned the fact that nothing springs to mind, with the rest having mentioned a few suggestions such as geothermal energy, more promotion of the Beechenhill's eco-cleaning products through advertising, and the possibility of filling stations for milk where guests can buy milk directly on the farm in their own containers. The question that sought to determine what guests saw, heard about, felt important, already do at home and intend to do at home, led the Beechenhill team to order a new electrical vehicle charging unit that will be much more visible, as indicated in the majority of guest comments on that topic. The eco-survey is clearly a good example of Beechenhill's commitment to advancing its sustainability journey, to add to the recognition it has achieved through various awards and accolades.

Beechenhill is a holder of a *Peak District Environmental Quality Award (PD-EQM)*⁴ and has a *Gold Green Tourism Business Scheme (GTBS)*⁵ award.

⁴ Environmental Quality Mark (EQM) is a Peak District Environmental Quality Mark award presented to businesses that put pride in the Peak District at the heart of their operations; actively safeguard and improve the Peak District environment and heritage; safeguard natural resources; promote their values to their customers; add to the well-being of their communities and work together with businesses in other sectors, use and promote their produce and services.

⁵ Green Tourism Business Scheme (GTBS) is a 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

In November 2012, the farm hotel was one of the few English finalists in the carbon reduction category of the *Virgin Responsible Tourism Awards*⁶ and in the same year they won the *Environmental Business Award* in the *Sentinel Business Awards*⁷. As a winner of the *UK Green Hotelier*⁸ 2013 competition, Beechenhill is also very proud to have won the Gold Award in the sustainable tourism category of the *Visit England Awards for Excellence*⁹ 2013.

BEECHENHILL'S SUSTAINABILITY JOURNEY

Beechenhill's sustainability journey indeed reflects the sustainable thinking mindset elaborated on in the previous section. The journey starts with the purchase of the Beechenhill Farm with the intention of diversifying into the hotel business to ensure the sustainability of their business. In the first years, Sue and her husband Terry decide to invest in the farmhouse harnessing every regulatory incentive that presents an opportunity for diversifying into the tourism business. They simultaneously invest in the farming business and in the construction of the farm's accommodation units, driven by a strong desire to achieve resource efficiencies and cost savings. The couple's strong sustainability values and orientation leads them to that very decision- to go organic in the farming business. The successful conversion of Beechenhill into a

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.

- ⁶ Virgin Responsible Tourism Awards recognize industry leaders in sustainability and recognize individuals, companies and organizations in the travel industry that are making a significant commitment to the culture and economies of local communities and are providing a positive contribution to biodiversity conservation. The central tenet of the Awards is that all types of tourism – from niche to mainstream – can and should be operated in a way that respects and benefits destinations and local people. The Responsible Tourism Awards are different from other awards in that winners are nominated by tourists. One of the founding principles of the Awards is to always seek out new responsible tourism ventures that deserve to be celebrated and tourists' nominations are fundamental to this process.
- ⁷ Sentinel Business Awards is a celebration of business in Staffordshire and South Cheshire and enjoys a reputation for being the premier event in those areas. It grows in popularity with the business community every year that view it as an ideal platform to promote their products and services. It rewards the achievements of businesses that have proven to be the most successful during the year, showing innovation, commitment and tenacity. There are a series of 12 individual awards which are: Entrepreneur of the Year, Apprentice of the Year, Business Innovation Award, Business of the Year, Growth Award, International Trade Award, Science and Technology in Business Award, Small Business of the Year, Training Excellence Award, Young Business Person of the Year, Lifetime Achievement, and Community Engagement Award.
- ⁸ Green Hotelier competition is an initiative of the online "Green Hotelier" magazine which is published by The International Hotels Environment Initiative, an industry initiative that produces an environmental action guide for hotels, produces reports on environmental best practices and conducts workshops and conferences worldwide. The Green Hotelier competition seeks to find the UK's most innovative green hotel, B&B or hostel. The sustainable initiatives implemented at participating hotels are categorized under the following topics: Energy & Carbon, Water, Education & Training, Community and Events. Entries are judged on Innovation, Environmental impact / savings and Green plans for the future.
- ⁹ Visit England Awards for Excellence celebrate the best of English tourism. They promote healthy industry competition and high standards, helping to ensure England's place as a world-class destination. The 17 categories for the 2013 awards include: Access for all Tourism Award, Bed & Breakfast / Guest Accommodation of the Year, Best Tourism Experience, Business Tourism Award, Caravan Holiday Park, Large Hotel (over 35 bedrooms), Large Visitor Attraction (over 100,000 visitors), Self Catering Holiday of the Year, Small Hotel of the Year (under 35 bedrooms), Small Visitor Attraction (under 50,000), Sustainable Tourism Award, Taste of England Award, Tourist Information Service, Tourism Pub of the Year, Tourism SuperStar, and Travel Article of the Year.

fully organic farm gives a real sense of achievement to the couple, which they further extend into their hotel business. Their environmental awareness and love of the Peak District further leads them to invest in 'green technology', which not only helps the hotel save costs and become more efficient but also makes a positive contribution to eco-hotel industry standards, showcasing how a small hotel can increase its social capital through collaborating with various stakeholders such as policy-makers and educational institutions. While establishing these networks proactively, Beechenhill simultaneously contributes to the local and global community through donations to various charities.

The couple's strong values-orientation, their desire to communicate with and educate others throughout their sustainability journey, their realization of the links between voluntary environmental and social activities and economic well-being, has helped them to continuously decrease the farm hotel's environmental impact, innovate and increase their social capital, which are key factors inherent to this case study. The rest of this section will elaborate on how Beechenhill has gradually been evolving on their sustainability journey:

Capitalizing on regulatory incentives and going organic

In 1984, the Prince family bought Beechenhill Farm and started a bed and breakfast business with two bedrooms. They thought that linking farming with tourism was crucial for the sustainability of their farm business, and Beechenhill seemed like the ideal farmhouse in which to realize their life-long desire to run a farm hotel. In 1985, Beechenhill Cottage (with accommodation for two guests) was converted from an old stallion pen, and farm visits were started in cooperation with the Peak District National Park Authority (PDNPA). Again, in the same year, the family planted two hundred and fifty indigenous trees, in what is now called, Millennium Avenue. In 1987, a milking parlor was built and a small shelterbelt for wildlife was planted. In 1990, the Cottage by the Pond – a wheel-chair accessible cottage- was completed. The family won a Nat West National Farmers Union (NFU) National Venture Cash Competition for the concept of *The Cottage by the Pond*, and the way it was marketed. In 1991, Beechenhill won the Holiday Care Service Award for accessible accommodation. 0.75 hectares of indigenous woodland was also planted. The family further restored a tiny lake with an established population of great crested newts.¹⁰ In 1993, the family planted a further one thousand trees in Millennium Avenue.

The year 1997 marked a break-through in Beechenhill's business strategy. While listening to Peter Day on BBC Radio Four's "In Business" talking about globalization, she suddenly realized that what he was referring to could actually apply to her own business. The famous business correspondent and broadcaster was talking about how ultimately white goods (fridges and washing machines) would be made wherever in the world it is cheapest to produce- and that same fate could be said to await milk production as well! In the same year she met an organic farming lecturer at a friend's and discussed the possibility of converting Beechenhill and decided to investigate it further. Consequently, she contacted The Ministry of Agriculture, Fisheries and Food (MAFF)¹¹ about organic milk production. The result of the first organic adviser visit to Beechenhill was to set the stage in going organic, one consequence of which was the cessation of the

¹⁰ The northern crested newt, also known as the great crested newt or warty newt (*Triturus cristatus*) is a [newt](#) in the family [Salamandridae](#), found across Europe and parts of Asia. Great crested newts are a European protected species whose eggs, breeding sites and resting places are protected by law. A license may be obtained from Natural England if an activity is planned and disturbing them or damaging their habitats (ponds and the land around ponds) cannot be avoided.

¹¹ The Ministry of Agriculture, Fisheries and Food (MAFF) was a United Kingdom government department created by the Board of Agriculture Act 1889, and at that time was called the Board of Agriculture. The Ministry was formally dissolved in 2002, at which point its responsibilities had been merged into the Department for Environment, Food and Rural Affairs (DEFRA) that is currently the Ministry responsible for agriculture in the UK.

routine giving of antibiotics to dairy cows. In the same year, a new 2,500-liter milk tank was also purchased. In 1998, Beechenhill had the second free advice visit, this time from an organic adviser with financial expertise, who showed the family how to prepare conversion plans and registration information for the Soil Association, and how to apply for the MAFF Organic Aid Scheme. A search for organic feed companies was also started. Subsequently, registration forms were sent off to the Soil Association for conversion from June 1st, 1998 which culminated in the first Soil Association inspection being administered, and 25% of the farm entered organic conversion.

In 2000, Beechenhill became a fully organic farm and gathered its first crop of organic big bale silage. The cows started their organic diet (until then the cows ate ordinary GMO¹² free concentrated food) and their diet became 90% organic. Beechenhill joined the organic feed buying group. In September 2000, milk became organic after three months of organic feeding. Beechenhill started selling organic milk and won a Heart of England Sustainable Tourism Award. The family also planted twenty more trees in Millennium Avenue, each dedicated to guests who had visited regularly over the previous ten years. However, becoming organic was just the onset of the new challenges in Beechenhill's sustainability journey. Having gone fully organic in 2000, Beechenhill further continued its sustainability journey along with 'green' investments, which were thought to be essential in coping with rural resource efficiency, economic pressures and the carbon footprint of the farm and hotel business.

Investing in 'Green Technology'

Competition regarding environmental performance is strong within the hotel industry, driven in part by concerns about resource efficiency. Possessing this 'green' consciousness, Beechenhill has invested in the following 'green' initiatives, which helped Beechenhill not only to realize direct savings in operational costs, but also to set industry standards in order to gain competitive advantage from these initiatives. Thus, the family business further raised the bar for excellence, to a level to which others have to aspire.

Heating

Beechenhill tries to operate without oil. The hotel has a new wood boiler, which provides hot water and heating to the entire accommodation and hay barn. The only oil used is in the *Rayburn* and that has a new burner that uses 40% less oil. The *Rayburn* cooker conversion has led to a saving of 2.5 tons of carbon. An induction cooker also helps save energy and costs. Finally, Beechenhill found under floor heating to be a really effective way of warming interiors, as a lower water temperature is required than the use of radiators. At Beechenhill, insulation is done using sheep's wool from a neighboring farm and lime plaster. Lime plaster with Pearlite insulates efficiently while retaining the character of the building making it the best for rural and old buildings. Finally, all accommodation is double-glazed and has wooden window shutters.

Lighting

There is low-energy lighting installed everywhere- from the farm's floodlights to the fairy lights used in barn weddings. While movement sensors on all public lighting reduce energy usage and light pollution, sun

¹² GMO means genetically modified organism, which is a novel organism created by scientists when they genetically modify or engineer food plants. Scientists have cited many health and environmental risks with genetically modified (GM) foods. As a result of these risks, many people in the United States, Canada, Europe, Japan, and other nations are demanding non-genetically modified (non-GMO) foods.

tunnels in windowless rooms also remove the need for artificial lighting during daylight hours. Where possible, there are low rated appliances to reduce energy consumption, and the energy monitors in the cottages help guests see how much energy they use. In 2013, low energy lighting helped Beechenhill achieve a carbon saving of approximately 0,75 tons. The two 4-kw solar photovoltaic arrays on the cowshed roof provide about half of the farm's electricity and generate 14% more electricity per Kwh than conventional panels. These innovative, lightweight solar PV arrays are very suitable for fragile roofs, which are typically found on farm barns and warehouses- and helped Beechenhill achieve a carbon saving of 4.3 tons.

Water

The farm has rainwater flush toilets in two cottages and the Hay Barn wedding barn. The cisterns use an existing 8000-gallon rainwater tank situated behind the farmhouse, where water is collected from the north-facing roofs. Water from the south-facing roofs, on the other hand, is collected and feeds a restored pond, which is home to a colony of rare great crested newts. There are dual flushes on some WCs. Solar panels are also used in various places around the property.

Waste

There are recycling and composting facilities for guests and all farm waste. On-site recycling and composting led to a reduction in the quantity of un-recyclable waste. While three bins of rubbish were being produced weekly, now one and a half are being produced every two weeks. Furthermore, eco cleaning products and recycled paper products are used throughout the farm.

Beechenhill further invested in two electric bikes, which are offered for hire, allowing guests to explore the nearby countryside rather than driving all day. Having invested in the above-mentioned 'green technology', the Prince family felt the need to test themselves in competitions and make sure they were moving in the right direction. So, in 2003 Terry Prince applied for the Peak District Environmental Quality Mark (PDEQM) for his farming business and Sue Prince applied for the award for her tourism business. After a rigorous inspection process, both applications were successful.

Beechenhill's further plans in sustainability include the creation and installation of an innovative, low-tech, small-scale bio digester dome to make methane from cow manure. The low energy lighting is gradually being replaced with LED, and better-rated white goods are purchased when replacements are needed. As decorating happens in rooms and cottages, rainwater flushes will be installed in more toilets and induction hobs will replace conventional. Finally, the hotel plans to invest in more electric bikes.

The simultaneous pursuit of contributing to the local and global community

Although regulation, reputation and social license have clearly been a driver for big business, smaller businesses have been less exposed to these factors and driven more by a sense of social responsibility. Similarly, although smaller businesses can sometimes be less capable of sustainability investment and less cognizant of how sustainability relates to their business, i.e. not just recycling initiatives, Beechenhill has well been aware of the opportunities for continuous improvement and driven largely by a sense of social responsibility for the much appreciated protected landscape of the Peak District. Sue and the family's sense of social responsibility are largely embedded in the value-based management style they pursue, as will be detailed in the following paragraphs:

Locally, Beechenhill supports the local community in lots of different ways: The owner-manager, an artist renowned for Swedish folk art, contributed to the creation of a community website for Ilam village and its businesses. The farm hotel further contributes to the funding of various charities:

- a) *Practical Action* that finds practical solutions for ordinary people living in difficult conditions;
- b) *Wetton and Alstonefield First Responders* who are trained by the ambulance service to respond immediately in emergencies; and
- c) *Friends of the Peak District*, which is an independent charity dedicated to a vision of a living, working Peak District that changes with the times but remains beautiful forever. Social responsibility largely derives from the owner-manager's personal values, which understandably derive from her personal involvement with various stakeholders, mainly with public bodies and third parties.

From 2009 to 2013, she also held various responsibilities as a commissioner on a high level expert panel of DEFRA's growth review in tackling rural disadvantage in England. Finally, between 2010 and 2011, she contributed to the review and renewal of the Peak District Environmental Quality Mark (PD-EQM); customized it for Staffordshire County Council and got the scheme validated by Visit England. EQM is now a 'white label' scheme¹³ for any organization or destination.

Globally, from 2006 to 2009, Sue Prince carried out missions at the Foundation ADEPT, to deliver website design, strategic advice, training and practical tourism workshops for a rural development project that gave economic value to the traditional way of life that protects one of the most valuable European landscapes, the Transylvanian landscape in Romania. In 2007, the owner-manager also worked at the Prince's Charities Foundation where she facilitated the initial development of 'Transylvania Authentica', a Romanian version of the Peak District Environmental Quality Mark (EQM), and the presentation of the economic benefits of a protected landscape to the Romanian Prime Minister's Office. Feeling socially responsible at the global level, she has been delivering marketing, research, design and rural development concepts to substantial eco-tourism investments in Europe since 2007.

As can be seen, by donating to charitable causes, Beechenhill provides resources to help strengthen communities and lend a hand in times of need. And, given the myriad of issues that could benefit from more resources, Beechenhill's choice of which causes to support with corporate philanthropy, appears to be driven by Sue and the family's personal values as well as the moral convictions of stakeholders. These shared values may indeed explain Beechenhill's ability to understand how their strategy and operating context intersect with key societal needs, as well as their business case for sustainability, which will be elaborated in the following section.

Creating a business case for sustainability

Creating a business case for sustainability requires identifying, creating and strengthening the links between economic success on one hand and non-monetary social and environmental activities on the other. Having realized the links between voluntary environmental and social activities and corporate economic success, Sue and the family have managed and innovated these links and improve economic success through voluntary social and environmental activities. They have simply redesigned Beechenhill's business model – farming with tourism – with cost and efficiency-oriented measures like the *Pilot Light Project*, and elements for improvement such as environmentally and socially outstanding products and services like the Wedding Weekend Package. The following paragraphs will elaborate on these changes in Beechenhill's sustainability journey:

¹³ A white-label scheme is a scheme produced by one organization (the producer) that other organizations (the marketers) rebrand to make it appear as if they had made it.

2007 saw changes in environmental legislation in the UK. In 2007, all subsidies changed due to the European review of the Common Agricultural Policy 2005-2011. From schemes based on the number of animals kept (headage), they changed to schemes based on the amount of land held – the new scheme was named Single Farm Payment (SFP). Farmers received financial re-numeration for the land they farmed regardless of cropping or stock reared. The government hoped that this would encourage farmers to get closer to the market, produce goods that would give them a profit and improve the environment. Thus, the government has split England into three zones – Lowland, Severely Disadvantaged Area (SDA) and Moorland. As many National Parks and special landscapes are Severely Disadvantaged, this was considered bad news for the upland regions of England where the farmers received £100 less per hectare (ha) than their lowland competitors, making them even more severely disadvantaged. The government further introduced an Uplands Entry Level Scheme (UELS) to alleviate this disadvantageous situation. The government started to give additional payments for environmental works such as the Entry Level Scheme (ELS) and organic farm incentives that were £30/ha extra. UELS for Higher Level Scheme (HLS) also became available for farms with special environments and was up to £60/ha.

Having realized these positive incentives to encourage environmentally friendly farming in the Peak District, the Prince family decided to act on these voluntary incentives and was entitled to Single Farm Payment (SFP) worth £6000 per year and Organic Entry Level Scheme (OELS) worth £2000 per year. Organic farming as an environmental activity had simply created a positive economic contribution to their corporate success.

Furthermore, having understood how the drivers of a business case can be positively influenced by societal and environmental activities, Sue Prince decided to diversify further into a new field of opportunity for the family business. In 2008, she developed the eco-wedding business, where families could book the whole farm for the weekend, decorate the Hay Barn, eat local food, have local live bands and have their guests put up at some of the many tiny B&Bs and cottages in the surrounding three-mile radius. Crucially, Beechenhill works with its local coach company to arrange delivery and collection of guests to and from the celebration. Diversification into the eco-wedding business helped to increase Beechenhill's sales and profit margins, reputation and brand value, as well as innovative capabilities. Wedding weekend packages currently provide a new main income for the forward-thinking farm hotel while providing a sense of getting married in the country home of friends who care about visitors and the planet.

In 2009, as a way of reducing their environmental impact, continuing to diversify, innovate and offer a distinctive experience to visitors, Sue Prince developed the *Pilot Light Project* – the greening of farming and tourism in a protected landscape. The purpose of the project was, firstly, to address rural resource efficiency, economic pressures, and reduce the carbon footprint of a tourism business in the Peak District National Park. And secondly, to demonstrate the range of technologies to various stakeholders concerned with sustainability. The project served as an engagement tool with various stakeholders such as Keele University, Marches Energy Agency, The Peak District National Park Authority and Staffordshire Business Environment Network. Furthermore, Aberystwyth University has been involved in monitoring the ecological effects of certain initiatives and guests were also encouraged to get involved in recording changes to wildlife. Since the introduction of the *Pilot Light Project*, the carbon footprint of the farm has been reduced from 41 tons to 14.4 tons- despite the addition of the wedding venue and an additional dwelling. A 120kw biomass (pellet) boiler and mini district main, which boasts 90% fuel efficiency, has helped reduce the carbon footprint by replacing two oil CH boilers and four immersion heaters, leading to a carbon saving of approximately 19 tons. The farm has also experienced a 90% reduction in the amount of oil used. In the same year, the family also planted 500 indigenous trees in the Millennium Avenue of trees.

As can be seen from Beechenhill's sustainability journey since 2007, Beechenhill's economic success is created through voluntary social and environmental activities that are deliberately pursued. The 'journey' that sincerely originates from the imperative-for-the-sustainability-of-business, is enriched with increased stakeholder relationships, local and international charity activities and finally enhanced innovative capabilities- including the invention and integration of the eco-wedding business into Beechenhill's business model and eco-friendly product innovations such as the Wedding Weekend Package. Beechenhill indeed has evolved from the sustainability of business towards the business of sustainability throughout its journey.

A MEANINGFUL CORE STRATEGY: HARNESSING SUSTAINABLE PRACTICES TO COMMUNICATE WITH AND EDUCATE OTHERS

"It is very important to us that we share our place with you – after all, what is the point of standing alone in a lovely place saying 'wow isn't it lovely!' We are proud of our place, proud of our eco-ventures and we delight in sharing it with you."

Sue Prince, 2013

As can be seen from the above quote, Beechenhill possesses a broader view of social and environmental responsibility and takes sustainability beyond the company walls. Sue Prince and the family have built their business on a strong belief in value-based management. For Sue, 'meaning' comes from engagement in positive work that challenges a person's capacity, making a larger contribution to the overall well-being of humanity and the planet. The way things are done – sharing with others – sets the direction, the ambition and the values they would like to see exhibited in the family business and with their stakeholders. At its core is the Triple Bottom Line principle, the foundation of their ability to create long-term value for the business itself and contribute to a more sustainable society. Delivering a memorable guest experience, which respects the environment and builds a respectful and thriving business, is seen as a great contribution Beechenhill makes to society and sustainable development, yet Beechenhill believes that there is a higher purpose than this: "to tell other people that sustainability is working".

Sue and the family truly act on their beliefs when they see systems or markets fail that hinder people from living sustainable lifestyles. They use sustainable practices to educate others and spread the word around in the wider community. For instance, they set targets to decrease their environmental footprint so successfully that they now guide others by sharing their success and challenges along their sustainability journey. They simply reach out to holiday guests, individuals, government bodies, academicians, fellow hoteliers and third parties to seek best ideas and share their learning in sustainability, co-create solutions and answers. This is reflected in Sue Prince's following comments when she referred to the biggest benefit of the Pilot Light project that she has developed in 2009:

"A key part of the project is the other organizations and individuals that have got involved in measuring the impact of our sustainability initiatives and giving their advice. What we end up taking home is much greater than what we contribute".

Beechenhill is well aware that consumers are becoming more and more environmentally conscious and are looking to businesses to take the lead. For Beechenhill, using 'green' technologies makes sense both for increased guest comfort and a business's bottom line, yet what is essential is to demonstrate to planners, influencers, small businesses and individuals that 'if Beechenhill can do it, then you can too'. For Beechenhill, being sustainable also involves staying in the minds of others having demonstrated a

sustainable way of living. The biggest benefit of the Pilot Light Project to the farm hotel, for instance, has been sharing the lessons they have learnt with other small businesses and encouraging and enabling others to make sustainable decisions in the future. In the three years from 2010 to 2013, 4000 people have become aware of and experienced the environmentally friendly changes at Beechenhill farm hotel (annually 700 staying guests, 700 wedding guests and 300 day visitors, school groups, Pilot Light Demo day participants for three years).

“While the Pilot Light Project has provided huge savings on carbon, the real benefits have come from having demonstrated that being environmental does not mean being ‘worthy or preachy’”, as the owner-manager puts it. With all the ‘green’ technology built in the Pilot Light Project to be climate sensitive, Beechenhill guests have an improved experience through a sustainable way of living. Sue and the family further think that it is crucial to talk about ideas and concerns by visiting other businesses that have already made changes, and they firmly believe that there is nothing better than ‘talking to someone in the same boat’.

Beechenhill’s core strategy centers on using sustainable practices and initiatives to communicate with and educate others. A deliberate pursuit of these voluntary social activities to share with others will in return, create positive social value through which a positive economic effect will be created.

MANAGING FOR THE TRIPLE BOTTOM LINE

Having assessed the important phases of evolution in Beechenhill’s sustainability timeline, and its core strategy, this section will assess Beechenhill’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 three-dimensional 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. Corporate sustainability strategies are therefore challenged to recognize both, market sustainability as well as social and environmental sustainability, equally (Parnell, 2008).

Beechenhill’s mission statement “to please you so that you return, in a way that pleases the planet and pleases us, too,” entails a broadened stakeholder perspective. As the mission statement explicitly shows, while Beechenhill’s primary concern about ‘pleasing guests so that they return’, implies its economic concern, ‘the manner in which they return to please the planet and people’ implies its social and environmental concerns.

The interview findings are aligned with Beechenhill’s mission statement in the sense that when interviewees were asked about Beechenhill’s strategic focus regarding sustainability, 90% of the interviewees (9 out of 10) mentioned that the hotel exhibits stakeholder concerns with environmental and social concerns, while only one interviewee mentioned a shift of focus from customer to societal concerns. Furthermore, when interviewees were asked about the impact of the economic downturn on the hotel’s commitment to sustainability, more than half of the respondents (7 out of 10) cited that the downturn affected Beechenhill positively in the sense that many luxury hotel segment that cut down on

their international holiday experiences downgraded to environmentally and socially responsible eco-hotels such as Beechenhill. The same interviewees further mentioned that the economic downturn highlighted the demand of stakeholders that the hotel industry needed to communicate effectively on their environmental and social commitment. While only one interviewee mentioned a stronger concern with the bottom line, two interviewees mentioned more concern with society and the planet.

The interview findings further confirmed that altruism and the owner-manager's values and lifestyle significantly influenced Beechenhill's concern on stakeholders and customers. All ten interviewees thought that Sue Prince's personal values (altruism, feeling socially responsible) and lifestyle largely accounted for Beechenhill's engagement with various stakeholders and communities. This finding suggests the importance of a company leader's personal values and lifestyle- especially for small businesses.

SCALA findings also align with the interview findings. In the SCALA survey, 'Awareness of our responsibility to the environment' (100%) and 'Desire for innovation and growth' (100%) were the two most widely cited motives that led the hotel to start addressing sustainability issues; the 'Desire to create long-term value for stakeholders' (50%) and the 'Recognition of how our company could address societal needs' (50%), were also cited. As can be seen, these motives support the aforementioned personal values that are perceived to have led to Beechenhill's noteworthy sustainability performance, and reflect the owner-manager's awareness of the three-dimensional concerns of sustainability.

Indeed, the Beechenhill team is well aware of the environmental and social issues it addresses, as well as the future concerns they feel they should address. In the SCALA survey, treating guests well and fairly; and engaging with the community through school visits, social inclusion of ethnic minority groups, and social and fitness classes, were the most widely mentioned social issues that respondents believed the hotel addresses especially well. Another social issue that was mentioned was education. Furthermore, extending use of hay barn to more village events, more frequent group visits and more disabled visitors 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 Beechenhill's social concerns.

Regarding the environmental issues that the hotel addresses especially well, climate change, biodiversity, pollution control, resource efficiency, recycling, reducing use of chemicals for cleaning, self-sufficiency, using nature friendly chemicals, and reducing water and energy use, were the most widely cited issues in the survey. Furthermore, being organic and using rainwater, were cited among the environmental issues the hotel also addresses well. When asked about the environmental issues that Beechenhill is not currently addressing that the respondents wished the hotel would address, the following issues were mentioned: public transport, training people to switch off lights, making sure all car journeys are necessary, turning down farmhouse temperatures to avoid wasting heat, more water management, using drinking water bottles, and making electric car charger and electric bikes more visible. All these issues mentioned truly relate to Beechenhill's environmental concerns.

When assessed with regard to the 'concerns' criteria, Beechenhill appears to have three-dimensional concerns, typically seen in businesses that manage for the triple bottom line. Beechenhill's mission is a proactive one that entails all the three dimensions of the TBL, in a way that not only seeks to minimize negative impacts, but also seeks to please various stakeholders and provide a positive social value.

Social, environmental and economic value creation

Triple bottom line (TBL) value creation is a broad concept and requires aligning the three-dimensional concerns with the values it seeks to create- relating economic, environmental and social concerns to the

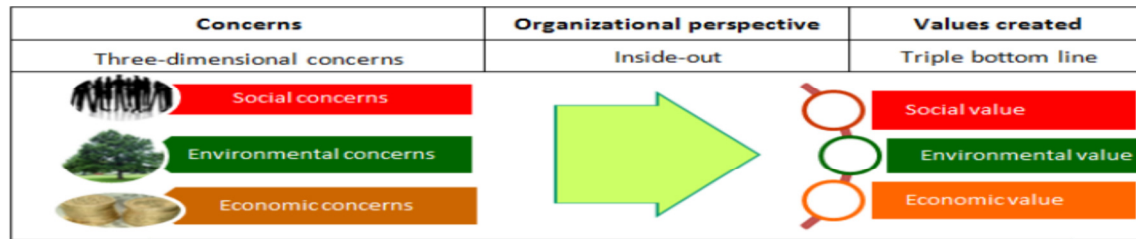
TBL values of sustainability. Beechenhill's triple bottom line value creation is reflected in the SCALA results where three of the four respondents think that the company is creating economic, social and environmental value by addressing sustainability issues, with only one respondent having mentioned positive contribution to solving critical societal challenges. Similarly, in the interviews the majority of the interviewees (9 out of 10) think that Beechenhill's strategic focus is on triple bottom line value creation. The same interviewees further mentioned the development and implementation of new strategies and programs aimed at sustainability issues in a proactive way.

When further asked about 'in what aspects Beechenhill contributes to societal well-being' (positive common good), the most widely cited aspect was educating relevant stakeholders, especially customers (cited 9 times); and creating awareness of sustainability through increased communication and demonstration of a sustainable lifestyle. This was followed by quality of life, which entailed feeling good, empowered and valued (cited 3 times). Educating guests, suppliers, employees and local community clearly seem to be Beechenhill's primary contribution to society at large.

Finally, the most widely cited societal challenge the interviewees thought that Beechenhill can solve capitalizing on its current resources and relationships, was more education of guests, consumers and suppliers (cited 8 times), followed by engagement of disadvantaged people (cited 2 times) and biodiversity (cited 2 times). Other invaluable interviewee insights included: 'accommodating single mothers', 'organizing more school trips to show children where organic food comes from', 'showing people that luxury and sustainability can actually go hand in hand', and 'overcoming lack of awareness in sustainability'.

As can be seen, Beechenhill 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 saved, carbon emissions avoided in waste management, trees planted, number of people reached out for awareness of issues) while doing this in an economically sound and profitable way. **Figure 1** below, is a synopsis of Beechenhill'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.

Business Sustainability 2.0 – Beechenhill Farm Hotel



From managing risks toward managing for the Triple Bottom Line

Social concerns

- . Community Engagement
- . Learning from others and sharing the relevant learning and experience in sustainability
- . Offering a distinctive eco experience to visitors of the Peak District
- . Using sustainable practices to educate others and spread the word around the wider community

Environmental concerns

- . Climate change / CO2 footprint
- . Reducing, reusing and recycling initiatives
- . Rural resource efficiency

Economical concerns

- . Investment for sustainable actions (Economic pressures)
- . Product Innovation
- . Business model innovation (Diversification into tourism)

To please visitors, so that they return, in a way that pleases the planet and pleases Beechenhill

Social Value

- . Sharing information and facts about organic food production.
- . Enabling consumers to value products and to make sustainable decisions (responsible consumerism)
- . Creating awareness of a sustainable lifestyle
- . Raising the bar for excellence in sustainability and showcasing how a family-run small business can pioneer in sustainability

Environmental Value

Maintaining or enhancing the Peak District environment that supports the integration of tourism and farming (diversification).

Economical Value

Strengthening the links between non-monetary social and environmental activities on the one hand and economic success on the other hand

Figure 1: BEECHENHILL'S BUSINESS SUSTAINABILITY POSITIONING IN THE DYLLICK/MUFF BUSINESS SUSTAINABILITY TYPOLOGY

Source: Developed for this case study

An 'Inside-out' 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). This 'inside-out' perspective leads to initiatives and actions that are by nature limited in their contributions to solving sustainability challenges.

Beechenhill indeed displays this 'inside-out' perspective to business by establishing its concerns within well-defined sustainability areas: social, environmental and economic. Having started out with a proactive and multi-dimensional mission statement, the hotel strives to create triple bottom line values. It first looks at the internal environment within which it operates and asks itself what it can do to address societal and environmental issues. It engages in developing and implementing new strategies and programs, addressed at specific sustainability issues or stakeholders, such as climate change, decreasing natural resources, and education of people through sustainable lifestyles. The hotel exhibits a continuous pattern of active exchange with a broad group of stakeholders such as the Staffordshire Business and Environment Network (SBEN),¹⁴ the National Park Authority, Green Tourism Business Scheme and charities such as the Friends of

¹⁴ Staffordshire Business & Environment Network (SBEN) was launched in 1992, providing a membership scheme, entitling members to subsidized and free initiatives from within the SBEN portfolio. Its mission is to support organizations to achieve long-term sustainability and maximize their business opportunities through innovative environmental activity. The Network helps raise business awareness through seminars and enhance skills and knowledge through environmental training and counseling. It also provides practical advice on developing and

the Peak District. It further explores new market opportunities such as the eco-wedding business or 'green' conference business. Although Beechenhill does not question the societal value of its products and services, it adapts existing products/services and develops new ones with improved triple bottom line value creation. In this respect, the Pilot Light Project has been harnessed to decrease the hotel's environmental impacts leading to 'green' investments, from the biomass boiler to the double-glazed windows in the guestrooms.

Importantly, in the interviews, all the ten interviewees see Beechenhill as a true integrator, that is, the hotel's sustainability goals are seen as fully integrated into daily operations. This is also demonstrated in the SCALA where all Beechenhill team members strongly agree that the hotel's sustainability is integrated into the operating procedures and policies.

Triple Bottom Line management is a proactive approach to sustainability as companies create value not just as a side-effect of their business activities, but also as the result of deliberately defined goals and programs addressed at specific sustainability issues or stakeholders. This approach is also reflected in the survey findings whereby three of the four respondents mentioned that Beechenhill's current approach to sustainability is proactive, with the one respondent having described it as an active approach. Moreover, all four respondents further thought that the hotel is very engaged with sustainability. Finally, this proactive approach to sustainability implementation was supported in the interviews, where the majority of the interviewees (7 out of 10) thought sustainability implementation is purely a business responsibility rather than the responsibility of the public sector or third parties. While two interviewees saw business responsibility as the responsibility of all parties (government,

business, third parties), one interviewee believed that the responsibility belonged to government bodies.

It is this proactive approach that distinguishes Beechenhill from other hotels whose main purpose is to reduce costs and business risks, to increase reputation, thereby increasing profits and competitiveness. As far as the interviewees' justification for seeing sustainability implementation as a business responsibility was concerned, while nine interviewees mentioned the business opportunities inherent in environmental and social issues, one interviewee highlighted the advantages inherent in new business models, facilitated through sector-wide or cross-sectorial collaborations with others. The results clearly suggest that the Beechenhill team does not only feel responsible for the environment, but also has a nose for business, which senses business opportunities inherent in environmental awareness.

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. This requires the organizational perspective to shift from 'inside-out' to 'outside-in'. Overall, when judged with regard to the 'organizational perspective' criteria of the Dyllick and Muff's Business Sustainability Typology, Beechenhill appears to possess an 'inside-out' organizational perspective, typical in businesses that manage for the TBL.

After having positioned Beechenhill as a business that manages for the TBL, we now look at the organizational and cultural underpinnings of this TBL strategy. While organizational culture plays an important role in organizational strategies, it matters even more with sustainability strategies due to the

implementing environmental policies as well as promoting examples of good environmental practice. With Staffordshire County Council providing its support and also acting as secretariat, SBEN has a proven track record and an enviable reputation for quality and customer service.

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 Beechenhill'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 VALUES-BASED SUSTAINABILITY LEADERSHIP AND CULTURE

Creating a new or reviving a mission statement for a business is one thing and rallying team members around this new mission and bringing about a true mindset shift in sustainability is another. Sustainability lies deep in Beechenhill's culture. It means that environmental and social concerns are not a one-man duty, but rather a whole organizational commitment. In Beechenhill's case, business operations are underpinned by a strong values system, and decisions and actions are always considered in relation to the owner-manager's values. Thus, this purpose shift and the recognition of social and environmental concerns in addition to economic concerns, appear to have happened more easily as the owner-manager Sue and her family typically set out to meet an environmental or social concern based on consistent values across the family business. A strong sustainability values system, which is espoused both widely and deeply in a company, can help ensure that sustainability performance is not jeopardized by questionable practices elsewhere in the company. Finally, shared values are essential to developing and implementing triple bottom line value creation, establishing cross-sector partnerships and educating others through using sustainable practices.

Organizational culture includes norms and personal values regarding appropriate and desirable actions with others outside and within the walls of the organization (Miller Perkins, 2011). A strong corporate values system is the building block for a positive and constructive organizational culture that is associated with more positive staff morale, improved service quality, and greater sustainability of existing and future sustainability initiatives (Glisson, 2007). Thus, understanding how sustainability culture and values relate to sustainability implementation is of utmost importance to practitioners in facilitating sustainability transformation. For instance, lifestyle and value driven companies communicate the greater number of environmental, social and economic activities, compared with competitiveness driven companies that practice fewer eco-savings activities, and legitimization driven companies that report a broad spectrum of activities that are harder to quantify (Font et al., 2014).

To describe in more detail how Beechenhill's sustainability culture and shared values 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. It appears that Sue is highly driven by values that are both feminine such as cooperation, intuitive and holistic thinking, and masculine such as competition and rational thinking. A balanced combination of these values is indeed ideal for sustainability leadership. According to the SCALA results, all four respondents agreed that their leader has a clear vision for sustainability. All respondents further agreed that their leader takes a long-term view when making decisions.

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 Beechenhill, as 3 out of the 4 respondents agreed that their leader has a clear business case for pursuing the goals of sustainability, with 1 respondent having expressed neutrality. Yet, when asked about whether their leader integrates sustainability into their decision-making, all four respondents agreed.

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 Beechenhill team and its external stakeholders, it was neither the disengagement of employees nor internal resistance to change that presented a challenge facing Beechenhill. Rather, insufficient resources (financial, time, type of building) were the most widely cited challenge (8 out of 10) in the hotel's implementation of sustainability. While one interviewee saw communication and marketing of sustainability as a challenge, another interviewee commented on the disadvantage of being a first mover as a small hotel engaged with sustainability.

Two other indicators regarding Beechenhill's governance and leadership success are how the team perceives the hotel's as well as their leader's performance relative to those of other companies in the industry. In the SCALA, all 4 respondents rated Beechenhill better than other companies in the industry with regards to sustainability leadership. Similarly, all respondents reported that their leader compared better than the leaders of other companies in their region with regard to 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 Beechenhill, as all respondents agreed that the leader of their company is able to inspire others about sustainability-focused issues and initiatives.

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., 2012). Furthermore, courage to take risks plays a crucial role in leading companies to incremental or radical improvements in the journey. The Beechenhill SCALA data show that all four respondents agreed that the leader of the company is willing to take measured risks in pursuit of sustainability. All 4 respondents further agreed that the leader of the hotel is knowledgeable of the issues pertaining to sustainability. Finally, all four respondents agreed that their leader is personally committed to issues pertaining to sustainability.

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 Beechenhill SCALA data show that all four respondents agree that the hotel has embedded sustainability into the operating procedures and policies. Yet, when asked about whether the hotel utilized an enterprise wide management system, consensus was lower (2 respondents only). Similarly, 2 respondents agreed that the company has integrated sustainability-related goals into the performance management system. Finally, when asked about whether rewards and compensation are clearly linked to the organization's goals, 2 respondents strongly agreed whereas the other 50% expressed neutrality.

These findings were also supported in the interviews where the majority of the interviewees (9 out of 10) mentioned that sustainability was fully integrated into line functions, with one interviewee having mentioned a new business model centered around societal challenges with new alliances and partners.

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, all respondents agreed that the level of trust within their organization is high. Also, all respondents agreed that most people in the hotel believe that a commitment to sustainability is essential to the company's success in the long-term.

The degree to which an organization supports learning is another aspect of organizational climate as leaders may consider enhancing the organizational climate to succeed in uncertainty. 3 of the 4 Beechenhill team members agreed that continual learning is a core focus of their organization, with one respondent having expressed disagreement. One way of facilitating organizational learning is to encourage people to learn from external sources. In the SCALA survey, all 4 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 Beechenhill data show that 3 of the 4 respondents agreed that their company rewards innovation, whereas 1 respondent reported neutrality.

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, all 4 respondents think 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. 3 of the Beechenhill team members reported that the hotel has a strong track record of implementing large-scale change successfully while 1 respondent reported neutrality. When small, incremental change was considered, all team members agreed that their company has a strong track record for implementing incremental change successfully.

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. Beechenhill's internal stakeholders are the family members, who make up its corporate culture. In the SCALA, all 4 respondents believe that the hotel has a clear strategy for engaging all internal stakeholders in its sustainability efforts. Regarding perceptions of congruence between sustainability goals and strategies, again all of the Beechenhill team believes that they are engaged in work that is connected to sustainability goals. Furthermore, all team members believe that the hotel values them and their contribution,

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.

Beechenhill indeed has extensive range of external stakeholders, which include visitors, previous guests, suppliers, consultants, the National Park Authority members, Staffordshire Business and Environment Network (SBEN) members and various charities such as Friends of the Peak District. This is demonstrated in the SCALA survey whereby all 4 respondents believe that the hotel has mechanisms in place to actively engage with external stakeholders about its sustainability efforts. Beechenhill further appears to possess a consistent and integrated engagement strategy that deliberately targets key external stakeholders. In the SCALA, all team members agreed that their company sends a clear and consistent message about the hotel's commitment to sustainability.

Finally, Beechenhill's focus appears to have shifted 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. Beechenhill 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, all 4 respondents believe that the hotel encourages sustainability in its supply.

THE 'DISTINCTIVE' ROLE OF SUSTAINABILITY VALUES IN CREATING SOCIAL CAPITAL

Values as building blocks of corporate culture

As the SCALA findings highlight, Beechenhill's culture is well aligned with its sustainability strategy and goals. The hotel has a clear business case for sustainability and excels in integrating its mission and sustainability goals into the sustainability decisions, and into its operating policies, procedures and performance management systems. Rewards and compensation, to a certain extent, are linked to Beechenhill's sustainability goals. The owner-manager appears to be knowledgeable, inspiring, risk loving and personally committed to sustainability. Furthermore, all team members believe that a commitment to sustainability is essential to the company's success in the long-term. The level of trust, continual learning and focus on innovation are also prevalent. The small family business has a strong track record for implementing both large scale and incremental change successfully, which explains its continuous progress in the sustainability journey, and can signal progressive sustainability strategies toward becoming a truly sustainable company. Finally, the hotel is quite capable of actively challenging the status quo and engaging both internal and external stakeholders in its sustainability initiatives. Thus, Beechenhill appears to possess a balanced mix of externally focused, adaptable and flexible organizational culture as well as an internally focused, stable and durable culture. As the timeline suggests, the hotel appears to be evolving more towards the externally focused end of the continuum with increasing stakeholder relationships, which largely constitute Beechenhill's social capital.

Understandably, values, ideologies and beliefs play a crucial role in understanding a company's culture, and have been viewed as a reliable representation (Howard, 1998). The organizational learning literature has largely focused on organizational values to assess and measure organizational culture. A number of studies suggest that the successful implementation of culture change for business sustainability might be largely dependent on the values and ideological underpinnings of a company's culture, and that these in turn affect how business sustainability is implemented (Cameron et al., 1993; Jarnagin and Slocum, 2007). Indeed, a manager's/owners' view of what constitutes sustainability does influence the interpretation and implementation of their sustainability practices.

The SCALA findings for Beechenhill do support this fact, as all Beechenhill team members agree that the hotel's sustainability initiatives are mainly influenced by their personal values, beliefs, perception of environmental imperatives and awareness of the type of action required. Interviews with Beechenhill family members and external stakeholders further shed light on Sue's personal values, which have largely permeated Beechenhill's culture. The mostly-cited values were: authentic hospitality with passion and service with heart; environmental awareness through action; treating visitors and guests with helpfulness and compassion as members of a family; community at work and having fun; and finally, desire to continuously innovate and improve. Finally, as the interview findings suggest, Beechenhill's strong lifestyle and values orientation largely stem from living in the valued landscapes of the Peak District, which often means that the sustainability component is critical in a protected environment where natural resources have to be cared for. This is understandable as Sue and the family naturally behaves in a sustainable manner through their lifestyle choices.

Finally, the owner-manager Sue's personal leadership style for business sustainability largely relies on feminine principles – caring, making intuitive decisions, having a sense of work as being part of their life and not separate from it, putting the family labor where their love is, being responsible to the world in how they use their profits, and finally recognizing that the bottom line should stay at the bottom. One explanation for this may be that degree of environmental commitment and sustainability vary across cultures as culture values differ (Randall et al., 1993). For instance, in masculine cultures, the dominant values in society are success, money and possessions, whereas in feminine cultures the dominant values in society are caring for others and the quality of life and well-being. (Hofstede, 1981; 2001). Similarly, more feminine cultures will exhibit higher levels of environmental sustainability (Park et al., 2007). Although cultural aspects have been found to affect environmental sustainability through various studies, elaborating on this cultural aspect of sustainability such as masculinity versus femininity falls outside the scope of this case study.

Values as a major contributor to social capital

Strikingly, research suggests that lifestyle and value driven tourism businesses report the greater number of environmental, social and economic activities, which in turn help increase their social capital (Font et al., 2014). Social capital resides in the value of the owner-manager's and the family's network. Defined as 'the nature of power and meaning that exists as structures and mechanisms guiding everyday social practice' (Fuller and Tian, 2006), social capital includes intangible assets that compose the guiding principles of the long-term performance of SMEs: reputation, trust, legitimacy and consensus (Russo and Tencati, 2009). Furthermore, this is often influenced through caring for business stakeholders, environment and society at large. In this context, sustainability is associated with responsibility and is defined by the owner-manager's values, which are articulated as integrity, honesty, respect, quality, service and sustainability (www.beechenhill.co.uk/sueprinceartist) in Beechenhill's case. As such, Sue Prince explains her reasons for sustainability engagement as a moral and ethical argument together with

pride and the sense of 'doing the right thing'. This can be linked to the development of social capital, with most benefits being unquantifiable and most businesses not preferring to look at sustainability in economic terms, even when such benefits were also realized (Tzschentke et al., 2004, 2008).

Although small firms are generally found to be shy to communicate their sustainability messages and make limited use of their sustainability actions to attract customers, we clearly see that Beechenhill has successfully managed to capitalize on transparency, communication and sharing the eco-experience with others in its sustainability journey. The communication of sustainability achievements and awards gained, helps create social capital that can create competitive advantage through protecting reputation (Font et al., 2014). Although Sue Prince mentions feeling uncomfortable 'boasting', she states that she is simply using communication rather than marketing to promote Beechenhill's sustainability achievements, rather than gaining some commercial advantage from its sustainability endeavors. The interviews strikingly highlight that this has largely to do with the owner-manager's personal leadership style and values. The interviews also demonstrate that decision-making at the hotel is often carried out as an extension of the owner-manager's personal values and lifestyle, which appears to have largely shaped this small farm hotel's culture and enacting values in ways other than shaped by profit.

DISCUSSION AND OUTLOOK

This section discusses the findings of the interviews and the SCALA survey in light of the prevalent literature. First, the distinct phases of Beechenhill's sustainability journey with reference to the phases of change in the relevant sustainability literature will be scrutinized, highlighting the motivations and drivers behind Beechenhill's sustainability initiatives in the journey. Then, implications of its key strategy of engaging and educating others through sustainable practices will be discussed from the perspective of consumers and the scale of business. Next, based on the Dyllick/Muff Business Sustainability Typology, the hotel's business sustainability positioning as a triple bottom line approach, and how this pinpoints the way forward to its becoming a truly sustainable hotel will be evaluated and justified. Then, Beechenhill's values-led organizational culture and the role of its social capital will be further discussed in order to explain the business' successful implementation of sustainability as a small hotel. Finally, the section will round off with the implications and limitations of the case study for practitioners, policy-makers, and academia, respectively.

As Beechenhill's sustainability journey shows, the hotel initially started off with a voluntary compliance-oriented strategy to simultaneously go organic and differentiate. In complying with laws and non-mandatory policies as well as with voluntary third party accreditation criteria, Beechenhill started making investments in 'green technology' both driven by cost savings (e.g. through resource efficiency) as well as through the responsibility to decrease environmental impact on the valued Peak District landscape. Indeed, the sustainability literature shows that core drivers of sustainability are found to be costs and cost reduction (Christmann, 2000; Epstein, 1996); sales and profit margin (Porter and van der Linde, 1995); risk and risk reduction (Schaltegger and Wagner, 2006); reputation and brand value (Marrewijk, 2003); innovative capabilities (Cohen and Winn, 2007; Schaltegger and

Wagner, 2011), and attractiveness as an employer (Revell et al., 2010). Revell et al. (2010) go further to identify that cost reductions are seen as the most promising driver, followed by aspects such as dealing with regulatory risks, attracting and retaining staff, attracting new customers and increasing market share, as well as attaining good reputation. As for the tourism industry, Brown (1996) posits that one of the most

influential benefits of incorporating environmental commitment in tourism accommodations is cost saving.

Although cost savings may seem like a reactive and defensive strategic behavior that is directed towards both the protection of the existing business and revenue generating rationale (Prahalad and Bettis, 1995) and a pure compliance strategy (Roome, 1992), it is a justifiable proactive strategy since the core business and all its operational processes and products/services are directed towards sustainability- as is the revenue logic. This refers to what Roome (1992) calls 'commercial and environmental excellence'. It is noteworthy that Beechenhill has been pursuing voluntary social and environmental activities not just as a by-product of business activities, but also as the result of deliberately defined goals and programs. The initial diversification strategy as realized by Beechenhill – linking organic farming with tourism – was a proactive one as it developed its sustainability initiatives with the intention to contribute to the solution of societal and environmental issues. It launched initiatives that created a positive business effect and had a clear and convincing business case for sustainability characterized by creating economic success through (and not just along with) a certain social or environmental activity (Dyllick and Muff, 2013).

Beechenhill's sustainability journey further reflects the simultaneous pursuit of contributing to the local and global community, with the awareness of responsibility for the environment and a desire for resource efficiencies and cost savings. The hotel's pursuit of charitable activities is clearly reflected in the SCALA survey. The survey shows 'recognition of how Beechenhill could address societal needs' and 'desire to create long-term value for stakeholders' as the two equally perceived secondary motives behind the hotel's sustainability-related activities, after 'awareness of responsibility for the environment' and 'desire for innovation and growth', which are the equally perceived primary drivers that led the hotel to start addressing sustainability issues. Beechenhill's investments in CSR projects and donations such as the funding for the *Practical Action*, the *Wetton and Alstonefield First Responders* and the *Friends of the Peak District*, are highly likely to contribute, directly or indirectly, to the hotel's bottom line. This is certainly in line with Waldman and Siegel's (2008) assertion that CSR derives from instrumental thinking to maximize the wealth of the firm. However, Beechenhill's understanding of responsibility goes beyond charitable donations, and further entails sharing the 'eco-experience' with others and educating them on quality of life issues such as a sustainable lifestyle.

As one could see from the hotel's journey from 2008 onwards, the farm hotel has progressively improved the quality, quantity, cost and reliability of its inputs and operational processes while simultaneously acting as a steward for essential natural resources of the Peak District and driving economic and social development. This has consequently led to reconceiving differentiated products and services such as the eco-wedding business, and a new conference offer which utilizes the converted Hay Barn for conferences, workshops and meetings of up to 50 delegates. Currently, plans for organizing an annual prize for the greenest wedding on site is under consideration. Indeed, improving value in one area - such as resource efficiency- gives rise to opportunities in other areas, such as accessing new markets or lowering costs through innovation (Porter & Kramer, 2011, p.7).

Overall, Beechenhill appears to have a convincing business case for sustainability. Its proactive strategy integrates environmental and social objectives as part of the core business logic. As our findings explicitly show, both Beechenhill's farm and tourism business processes and products are directed towards sustainability, as is its revenue logic. The farm hotel clearly addresses efficiency and cost-related aspects, develops sustainability-oriented innovation capabilities and addresses customer issues as well as societal 'non-market' issues such as enabling others to make sustainable choices and practices. In other words, Beechenhill strives for business leadership through outstanding sustainability performance and creates a

justifiably persistent 'halo effect' by consistently sharing its outstanding performance and sustainability experience with others, as awareness about sustainability and local community contribution tend to affect consumers' purchase intentions (Lee and Shin, 2010). Similarly, sharing information and providing awareness for guests on environmental issues, promoting sustainability-oriented local businesses and encouraging organic product consumption and/or sustainable lifestyles would benefit hotels to engage more guests in their sustainability initiatives (Scorcher and Brant, 2002; Rosenzweig, 2007).

Unsurprisingly, Beechenhill successfully engages guests in the hotel's sustainability practices. For instance, upon request, couples are directed toward sustainable caterers and suppliers to turn their wedding celebration into a 'green' one. As some studies about guests' preferences among hotels' sustainability activities reveal, guests mostly value guest-experience related activities rather than those focusing on minimizing ecological impacts (McGehee and Andereck, 2009). Furthermore, the literature suggests that engaging consumers is akin to 'building a reservoir of goodwill', and that consumers feel a sense of attachment or connection with companies engaging in sustainability initiatives they care about, which is called 'consumer-company identification' (Bhattacharya and Sen, 2004). It may be this identification that prompts Beechenhill's visitors and guests to engage in the hotel's sustainability initiatives and a variety of behaviors favorable to the hotel (e.g. word of mouth, loyalty) – and in this respect, it may be a pivotal driver of the positive effects of Beechenhill's sustainability initiatives on company stakeholders' patronage behavior.

Yet, while some literature informs us that small businesses lack sufficient influence or resources to sufficiently attend to stakeholder concerns and societal social issues (Spencer and Heinze, 1973), more recent literature suggests that small businesses may indeed be more generous in the support of society compared to larger corporations. Indeed, in many cases, it is the smaller businesses that are prominent examples of companies gaining competitive advantage by employing environmental strategies (Hoffman, 2000). In this sense, Beechenhill is a very good example of how a small business makes 'business sense' of environmental and social issues, and implements TBL value creation.

Through a triple bottom line approach, Beechenhill contributes to environmental and social value creation, in addition to the economic imperatives businesses are driven by. As such, the hotel not only decreases its negative impact on the environment but also contributes positively to the creation of social value by sharing the eco-experience with others and enabling others to learn from their experience and lead sustainable lifestyles. Importantly, Beechenhill's economic success is not increased while performing environmental and social issues, but rather a positive economic effect is created based on these intended social and environmental activities and initiatives. Beechenhill indeed harnesses a good understanding of how the drivers of a business case can be positively influenced by environmental and societal activities. Beechenhill's approach to sustainability is in line with literature, which posits that a sustainable hotel at its best refers to a hotel that voluntarily implements sustainable practices to reconcile social, environmental and economic concerns, to create a triple bottom line (people, planet, profit) value (Sloan et al., 2013). Yet, Dyllick and Hockerts (2002) argue that businesses need to go beyond multi-dimensional business contributions to sustainability and become eco-effective or socio-effective by solving the sustainability issues of societies. Similarly, Dyllick and Muff (2013) posit, in their Business Sustainability Typology, that truly sustainable businesses have a holistic approach and thus question their businesses' societal value rather than economic, social and environmental value creation. This would require that, in addition to adapting existing and developing new products with improved triple bottom line value creation, they also need to question the societal value and actively respond to societal challenges which may occur as a result of collaboration with new partners (Dyllick and Muff, 2013).

Beechenhill excels in TBL value creation, largely due to its most precious asset – its organizational culture, which comprise their values, beliefs and sustainable lifestyles. As Tzschentke (2008) argues, sustainability largely relies on the capacities and abilities of managers to implement them. Indeed, a value-based sustainability leadership constitutes the heart of Beechenhill's success as a small and leading sustainable hotel. Beechenhill's motivations and practices relating to three-dimensional concerns of the TBL are largely based on values rather than the resource-based view of the firm (Prahalad and Hamel, 1990; Barney, 1991), typically seen in large corporations. Understandably, small to medium sized businesses (SMEs) are not 'little big companies' adopting scaled-down versions of the products and processes of bigger companies to engage in sustainability through standard CSR activities (Morsing and Perrini, 2009; Jenkins, 2006).

As the interview and SCALA findings demonstrate, at Beechenhill, decision-making is often carried out as an extension of the owner-manager's personal values and lifestyle, which appears to have shaped this small farm hotel's culture by enacting values and habits in ways other than shaped by profit (Fassin et al., 2011). This is in accordance with Matten and Moon's (2008) research, which shows that in SMEs, sustainability-orientation is embedded through good habits and dictated by the very nature of the environment, product or service, rather than formalized plans or procedures. It may also be, that assuming a profit maximization view of the world is unhelpful in understanding small firms' sustainability behavior, considering the particular nature of SME ownership and management (Font et al., 2014). Indeed, sustainability research demonstrates that the main reason for small and medium accommodation enterprises acting responsibly is altruistic, arising from the managers' and owners' values and lifestyles (Garay and Font, 2012). Sustainability perfectly fits in with lifestyle, habits and routines for most small to medium sized hotels and this is positively correlated with improving performance (Font et al., 2014).

Finally, and most importantly, knowing that the relationship between small hotels and their environment is shaped by social capital rather than rules and policies (Werner and Spence, 2009), it becomes crucial for Beechenhill to develop its social capital – its engagement and contribution to the communities and the value of Sue and the family's networks – which will highly likely constitute the building block of its future sustainability endeavors, as a small hotel in a protected landscape.

This case study has several implications for hoteliers, policy-makers as well as academia. While it showcases to hoteliers, especially the owner-managers in protected landscapes, how small hotels in conserved environments can transform their sustainability strategies from focus on 'sustainability of business' towards 'business of sustainability', it also demonstrates to policy-makers that the 'business case of sustainability' which emphasizes eco-saving commercial reasons to the disengaged profit-driven businesses, might not really work as a true motivator for altruistic and value-driven small businesses. Rather, this case study emphasizes 'the business case for sustainability' which entails voluntary social and environmental activities that are based on intended management activities to improve sustainability through which a positive economic effect is created. As for academia, previous studies have focused on using large companies' language with emphasis on systems and policies, and also focusing on eco-savings (Lopez-Gamero et al., 2009; Pereira-Moliner et al., 2012) in the search to identify how sustainability improves business performance. Thus, this case study contributes to the scarce evidence base about best practice case studies, where sustainable hotels' motivation, challenges, practices and business sustainability positioning are demonstrated with a broader focus that also includes various organizational factors such as organizational culture, concerns, type of value created, and organizational perspective used.

Finally, regarding the limitations of this study, our findings are highly likely to be applicable only to small businesses, and thus the findings cannot really be generalized neither to large or chain-affiliated hotels nor to hotels in non-protected areas. Furthermore, complementary research in adult and organizational learning would be invaluable to understand the sustainability journey of other small to medium sized hotels like Beechenhill.

PEERING OVER THE HORIZON

As Sue finished reading the comprehensive case study, she felt blessed to be living in a protected area, which she believed had led her family and herself to seek lifestyles based on eco-friendly “alternative values,” as opposed to ones centered on profit maximization alone. She was also grateful for the fact that the Peak District was designated as a protected area which meant that these values included sustainability. Ultimately, however, it was their family habits and routine – rather than a conscious managerial structure – that had made their sustainable lifestyle choices part of Beechenhill’s DNA. Indeed, she was convinced that their personal ethics and altruism were a determinant and key in their lifestyle behavior, and were crucial factors in providing a quality service in their sustainability journey.

It was true that her family and herself had indeed been creating their social capital over the years, but more importantly, based on the case findings, she felt more confident that her daughter and son-in-law would build on these well-established, intangible assets that were the guiding principles of Beechenhill’s long-term, sustainability performance. She believed that practicing what she preached, and enabling others to learn from each other, had proved to be the most effective tool in her sustainability leadership.

Feeling thankful for the Lausanne Business School’s nomination and for its objective case study, with its vindication that her beliefs and ideals were instrumental to the success of Beechenhill, she got up to find Terry and share the findings, with great hopefulness that the future of this meaningful legacy that they had passionately constructed together was on track. Remembering the famous sustainability guru, Peter Senge’s saying “Building a responsible company takes forever”, she had a eureka moment- the idea of a potential mutual learning project in collaboration with this leading Swiss innovator in sustainability education. Such a learning opportunity could well be Beechenhill’s next step in the inexorable path to perfection in the sustainable business world, where a company such as theirs, not only helps to resolve societal challenges, but also succeeds in capturing people’s minds and hearts as it journeys towards environmental and social stewardship.

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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 type of value created (outputs), and the organizational perspectives applied (processes) (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 type of value created, 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. Finally, 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. 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 (BST)	Concerns (What?)	Values created (What for?)	Organizational perspective (How?)
Business-as-usual	Economic concerns	Shareholder value	Inside-out
Business Sustainability 1.0	Three-dimensional concerns	Refined shareholder value	Inside-out
Business Sustainability 2.0	Three-dimensional concerns	Triple bottom line	Inside-out
Business Sustainability 3.0	Starting with sustainability challenges	Creating value for the common good	Outside-in
The key shifts involved:	1st shift: broadening the business concern	2nd shift: expanding the value created	3rd shift: changing the perspective

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.

