

Master`s Thesis

**Leveraging Social Sustainability and Effective Leadership to Improve Reputation
and Attract Skilled Employees in the Hotel Industry**

Sofie Blindheim Ekevold & Madicken Meyer

Student numbers: 267914 & 264777

Candidate numbers: 6007 & 6017

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Supervisor: Åsa Helen Grahn

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Leveraging Social Sustainability and Effective Leadership to Improve Reputation and Attract Skilled Employees in the Hotel Industry

AUTHORS		SUPERVISOR: Åsa Helen Grahn
Student number:	Name:	
267914	Sofie Blindheim Ekevold	
264777	Madicken Meyer	

Abstract

The purpose of this study was to investigate the implementation of social sustainability practices and effective leadership in the hotel industry within the Stavanger region regarding the hotels reputation and how they can attract skilled employees. The study focused on understanding how hotel leaders perceive and address various aspects of social sustainability, including their working environment, leadership styles, risk management, collaboration, cultural differences, and community engagement. The research question guiding this study is: “How can the hotel industry in Stavanger leverage social sustainability initiatives and effective leadership to enhance its reputation and attract skilled employees?”.

A qualitative study was conducted, collecting data through semi-structured in-depth interviews with hotel leaders. The hotels experienced different challenges related to risk, necessitating individualized plans to address them, but they mostly depended on generic systems. This could hinder recruitment and retention rates, from being misaligned with local demands. Leaders faced communication issues with multicultural staff and had varying views and knowledge about social sustainability and relevant laws. Despite having mainly centralized management styles, the hotels had autonomy to choose their own initiatives in the local community. They also showed signs of good cooperation with their competitors.

This study can inspire future research in the new field of social sustainability within hospitality, and be an inspiration for students, educators, and practitioners. Hopefully, the results from the study could further aid the affected stakeholders in the hospitality industry.

Keywords: Risk management, leadership, cultural differences, community engagement, collaboration, organizational change.

Foreword

In front of you is our master thesis: “Leveraging Social Sustainability and Effective Leadership to Improve Reputation and Attract Skilled Employees in the Hotel Industry”. Semi-structured, in-depth interviews have been used as a foundation to understand how the hotel industry can better their reputation and attract skilled employees through social sustainability initiative and effective leadership. Through our two-year master program in Service leadership in International Business at the University of Stavanger, we have gained valuable knowledge through working in teams with practical cases.

We would like to thank each other for motivational support and encouragement throughout this long writing process, and our supervisor Åsa Helen Grahn for helpful advice and support. Her knowledge and professional network within the field was very helpful throughout this process, especially the seminar she arranged regarding the Transparency Act. A special thanks to all our respondents who took time out of their busy schedule to meet with us and share their experiences.

Next, we would like to thank our teachers and other staff at the University for providing classes and assistance throughout our master’s degree. For activities outside of academia, The Student Welfare Organization in Stavanger has impressed us with its social events and care regarding the health and well-being of us students.

Sofie wants to thank her mother and partner for encouragement and patience through her years at the University in Stavanger. Madicken wants to thank her friends and partner for emotional support and guidance.

We hope you enjoy reading our thesis,

Sofie Blindheim Ekevold & Madicken Meyer

Stavanger, 14th of June 2023

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List of Abbreviations

Abbreviation	Definition
CSR	Corporate Social Responsibility
CVS	Creating Shared Value
OECD	Organization for Economic Co-Operation and Development
NAV	Norwegian Labour and Welfare Administration

Introduction

In the introduction, the background and research problem will be stated, along with the research questions formulated to help answer this. The purpose of the research is explained, and lastly the disposition for the research is presented.

Background and Research Problem

Sustainability in the hotel industry has mainly focused on environmental concerns, with measures such as recycling, reducing food waste and energy consumption (Kim et al., 2019, p. 578). The social dimension of sustainability has recently gained more recognition and importance, evolving from a previously optional practice to a necessary commitment. It is a way to identify and manage the impact a business has on their workers, customers, value chain and local community. Through the new Transparency Act, Norway is starting to mandate businesses to report their social sustainability efforts (Åpenhetsloven, 2021, § 3a). Measures to improve social sustainability include good working conditions, ethical purchases, community development initiatives, and engagement with stakeholders to address social concerns (Holcomb et al., 2007, p. 462). The hotel industry has struggled with high turnover and bad working conditions for their employees (EHL Insights, n.d.). By prioritizing social sustainability, hotels could improve conditions for staff, and gain a marketing advantage through creating a positive impact for their host community and stakeholders.

To gain insight in a regional context, interviews will be conducted with leaders in both independent and chain hotels to uncover how the hotel industry is working to improve their social sustainability. The research problem is as follows: "How can the hotel industry in Stavanger leverage social sustainability initiatives and effective leadership to enhance its reputation and attract skilled employees?".

Research Questions

To answer the research problem, three supporting research questions were formulated:

1. *How can effective leadership practices in risk management mitigate negative impacts?*
2. *What specific challenges arise from cultural differences among employees in the hotel industry in Stavanger?*
3. *How can cooperation with local organizations create shared value?*

Purpose of the Research

This thesis aims to explore the strategies and approaches that the hotel industry in Stavanger can adopt to leverage social sustainability initiatives and effective leadership practices with the objective of enhancing its reputation and attracting skilled employees. The study will examine the status of social sustainability initiatives and leadership practices within the hotel industry in Stavanger, identify the challenges and opportunities associated with these initiatives, and propose practical recommendations for hotels to improve their reputation and recruitment efforts. The guidelines from OECD due diligence will be incorporated to explore in greater detail how the business can promote decent working conditions. We will also look at how the hotels evaluate and treat risks concerning human rights and ensure fair working conditions. We wish to examine how different hotels assess and treat possible risks related to social sustainability within their own business and local community and see how they can further improve.

The primary focus is to understand how hotels incorporate and apply social sustainability practices within their operations to benefit their workforce and improve their reputation. By conducting semi-structured, in-depth interviews with managers and leaders of local hotels, the goal is to provide valuable insight for leaders and scholars in the hospitality industry. This thesis could provide a foundation for future research within the fields of sustainability, leadership, hospitality and change management.

Definitions

Change management - “The process of continually renewing an organization's direction, structure and capabilities to serve the ever changing needs of external and internal customers” (Moran & Brightman, 2000, p. 66).

Social sustainability - “Social sustainability refers to actively supporting the preservation and creation of skills as well as the capabilities of future generations, promoting health and supporting equal and democratic treatments that allow for good quality of life both inside and outside of the company context” (McKenzie, 2004).

Creating shared value - “Policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates” (Porter & Kramer, 2011, p. 6).

Corporate social responsibility - “A business approach that creates long-term shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments. Corporate sustainability leaders achieve long-term shareholder value by gearing their strategies and management to harness the market’s potential for sustainability products and services while at the same time successfully reducing and avoiding sustainability costs and risks” (Yale et al., 2005).

Disposition

The thesis is divided into six different main parts, using a structure commonly used in academic writing, particular in the field of social science. The first part is the *introduction*: This section provides a brief overview of the research topic, its significance, and the purpose of the topic. The second part is the *literature review* which examines existing research, identifies knowledge gaps, provides theoretical background, and incorporates empirical materials. The third part is the *methodology*. Here we describe the research design, the method used for data collection, the study population, sample, and the method of data analysis. The

fourth part is the *result*. Here we present the findings of the study in response to the research questions. Section five is the *discussion*. In the discussion we interpret the results, draw conclusions and the related findings to the existing literature. Section six consists of the *conclusion*, where we summarize the main findings of the study together with practical implications for policy and practice.

Literature

The theoretical framework in our thesis draws upon various literature fields of theory and empirical research relevant to the research problem, such as sustainability and leadership theory, change and risk management, cultural differences, and hospitality and tourism. It will also include relevant laws and due diligence guidelines.

Social Sustainability

Originating from sustainable development, social sustainability is one of three main dimensions of sustainability. Whilst the environmental and economic dimensions have been recognized from the late 1970's (Caradonna, 2014, p. 1), the social dimension has mainly been appreciated as important after the 2000's. Jones et al. (2016) argues that the hospitality sector has been slow to transition to a more sustainable practice, and wonders if this may be due to a lack of collective leadership amongst stakeholders in the tourism industry.

Sustainability as a concept is a way that humans acknowledge that we have created an imbalance in our environment, from altering natural systems in the environment, creating meltdowns in global financial systems, and amplifying social inequality. The United Nations (n.d.) define social sustainability as “identifying and managing business impacts on people”. This definition is a bit vague for the context of this thesis, therefore another definition is needed to add more clarity:

Social sustainability refers to actively supporting the preservation and creation of skills as well as the capabilities of future generations, promoting health and supporting

equal and democratic treatments that allow for good quality of life both inside and outside of the company context. (McKenzie, 2004)

This thesis will focus on the social dimension of sustainability. Most previous research has been done on larger businesses, but social sustainability is even more vital for small and medium sized enterprises. This is due to their relationship with close stakeholders being more direct and personal than those of major corporations (Elmagrhi et al., 2021, p. 3744).

Researcher Laura Spence recommends that businesses consider social sustainability regarding their stakeholders and argues that a business' competitors also should be viewed as a stakeholder (Spence et al., 2002, p. 332). Stakeholders are commonly considered to be all individuals or groups that are affected by, or affect, an organization. These fall into two broad categories of internal and external stakeholders (Dillard et al., 2008, p. 170). Three focus areas related to internal stakeholders are health and safety practices, fair labour practices and equality, diversity, and inclusion. Focus areas regarding external stakeholders are "being a good neighbour" through publicly advocating for local improvement and engaging with the community through social sustainability efforts (Baumann-Pauly et al., 2013, p. 696). The World Bank Institute argued that decentralization, the process where daily operation and decision-making responsibilities is delegated to lower levels of management, can help increase sensitivity to local needs when developing social activities (Ahmad et al., 2000, p. 4). Helping developing people and the local community also aids business development through creating a stable environment for their activities (ICCR, 2011, p. 7). Through working on their social sustainability efforts, hotels can gain a better reputation in their local community, and in turn appear more attractive to potential new employees.

Human Rights Problems in the Hotel Industry

The hospitality industry is an important driver in the global economy and employs many workers. The complex and large hotel sector has experienced human rights problems

and bad working conditions worldwide (EHL Insights, n.d.). There have been problems regarding human trafficking and sexual offenses being committed in hotels, as well as low paid workers through recruitment agencies being victims of modern slavery (Hodal, 2019). A study made by the American organization Polaris, uncovered that 80% of commercial sex sales were made at hotel premises (Polaris, 2018, p. 16). This includes trafficking and sexual exploitation of minors. These reports highlight the importance of detecting and preventing these acts in the hotel industry. With the Norwegian Transparency Act in progress, the hotel industry in Norway needs to work with the law in the best possible way, to detect and prevent criminal activity at their premises. More knowledge is needed in the industry, seeing as a survey conducted in 2020 from the Norwegian OECD-kontaktpunkt showed that only two percent of business managers were familiar with the guidelines from OECD (Eggereide, n.d.). In Norway, few studies have been conducted regarding human rights problems in the hotel industry.

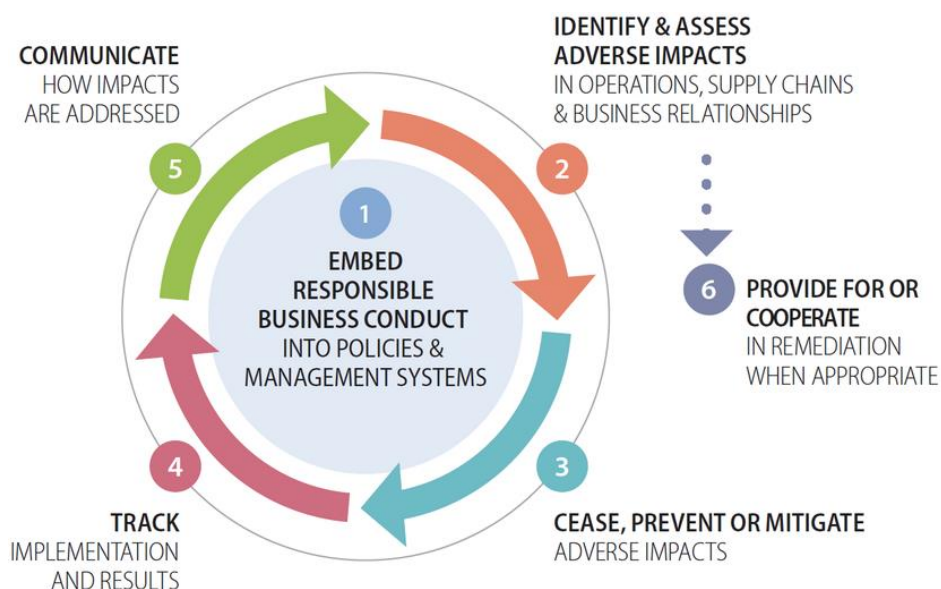
Leaders in the hotel industry have significant impact on the company culture, employee relations, customer satisfaction and the future path of their organization (Zhang et al., 2022). They are responsible for a wide array of responsibilities and in charge of many staff members. This could leave them with less time and effort to spare for ‘extra’ tasks outside of their daily management that could benefit the industry in a long-term perspective, such as improving their social sustainability and creating better conditions for employees in the industry. Their leadership has a ripple effect on the wider industry, influencing the practice and the policies of other companies and shaping the overall landscape of the hotel industry. It is therefore important that leaders are knowledgeable and set a good example through getting the whole organization involved in changes that can lead to better social sustainability.

OECD Due Diligence

Organization for economic cooperation and development (OECD) have developed due diligence guidelines from analyses and discussion of current economic and social issues with member countries in the organization (OECD, 2018 p. 3). They work together to develop policy measures that aim to promote economic growth and social security for their citizens. The Norwegian Transparency Act is based on guidelines from OECD and the companies that are subject to this law have a duty to perform due diligence assessments. When conducting these assessments, it is essential to manage actual and potential negative consequences by implementing measures to identify, prevent (where possible), and limit potential impacts (OECD, 2018, p. 21). It is also necessary to take steps to restore or mitigate actual consequences and to provide a clear account of how negative impacts will be handled, with the goal of minimizing any potential harm. To get a better understanding of how to pursue this, an illustration was made to show the different steps in conducting due diligence:

Figure 1

The OECD Due Diligence Process & Supporting Measures



Note. From *OECD Due Diligence Guidance for Responsible Business Conduct* (p. 21), by OECD, 2018.

The first step is developing clear guidelines and a plan regarding accountability within the company, and communicating this to stakeholders (OECD, 2018, pp. 21-35). The principles are going to clarify the obligations outlined in the OECD's guidelines. This is regarding the operations in the company, the supply chain and other business connections. It is important that these are embedded in the company's system. In step 2 one should identify and evaluate negative impacts, as well as to map out areas with the highest likelihood of risk and where the risks are greatest. Questions important to ask here are: Who are the relevant stakeholders? Which sector is most likely to have risks? What risks are developed earlier? It is important to get information related to risk on products, sectors, geography, industry and so on. In Step 3 the important part is to stop, prevent or reduce negative impacts and develop plans that are suitable for this. In step 4 the business is going to track the implementations and the result. The earlier steps that are related to mapping out, prevent, assess and so on are going to be tracked. Step 5 is about the communication in the business and how the communication about the due diligence guidelines is being handled. The action taken by the company, including findings and results regarding due diligence assessments, should be communicated externally in reports, and made accessible. In the last step, the business is going to ensure, either independently or in collaboration with others, for restoration and a complaint mechanism if the company has caused or contributed to actual harm. In all parts of the due diligence process, communication is a crucial part of a successful implementation, and for achieving change within a corporation. Therefore, we will now give a deeper insight into the topic of organizational change, leadership, and communication.

Organizational Change and Leadership

Moran & Brightman defined change management as “the process of continually renewing an organization's direction, structure and capabilities to serve the ever-changing needs of external and internal customers” (2000, p. 66). The focus in the business world has

evolved to prioritize both the customers and the stakeholders, necessitating the estimation of consequences from external actors and exploration of organizational restructuring as a solution. Securing employee commitment to a shared (ethical) culture and the pursuit of common organizational objectives has become increasingly challenging. Changes are geared towards meeting the requirements of diverse stakeholders, whilst balancing social and economic objectives. Leaders can function as change agents, also called social entrepreneurs, which refers to bringing together social mission and emphasis on innovation and market orientation. By engaging in stakeholder dialogue, various constituencies contribute with their knowledge and expertise towards problem-solving and social innovation. This collaborative approach can assist firms in balancing social and economic objectives, and achieving mutually beneficial solutions (By et al., 2023, p. 169).

As a change agent, it is the leader's responsibility to devise and execute a change strategy, bearing in mind that the behaviour of organizational leadership plays a pivotal role in shaping the work environment conducive to change (Weick & Quinn, 1999, p. 361). It does not matter what size the company is, research shows that changes have a domino effect on the firm. Organizational changes can be divided into episodic and continuous change, where episodic change is radical whilst continuous change is more incremental. Multiple different models of change and implementation exist, but in this thesis, the focus will be on Lewin's classic model from 1951. This is one of the earliest models and follows a three-step process where the focus is on evaluating, preparing, and engaging the firm for changes and implementing them into the employees' daily work life. The first step is the *unfreezing phase*. This phase involves acknowledging the need for change and preparing the individuals and the organization for change. The second phase is about the *changing*, where one looks for new ways or solutions of doing things or to overcome a crisis. The last phase is the *refreezing phase*. This is the implementation phase, where the employees start using the innovative

solutions or approaches. One of the ethical challenges for leaders when leading responsible changes, is the consequences to affect stakeholders, and the preparation for changes; the *unfreezing phase* (Gilley et al. 2009, p. 76).

Leadership Communication

When it comes to delivering messages about changes, receiving feedback, building readiness, or motivating recipients to act, effective communication techniques are crucial. Denning (2005, p. 12) explains that leaders are responsible to “communicate to the organization the risks in clinging to the status quo and the potential rewards of embracing a radically different future”. When promises and predictions are unfulfilled or inaccurate, resulting in disappointment or unfavourable outcomes, it can erode leadership credibility and leave employees feeling unsatisfied. There is therefore a need for leaders to be realistic, have truthful discussions, include the scope of change and the negative impacts that can come with the implementation. As change agents the leaders must give the relevant information, justify the reason for the change and address employers' questions and concerns. According to Harrison & Mühlberg (2014, p. 32), leadership communication is the process through which organizational leaders connect with and influence stakeholders. Leadership communication is integral to an organization's internal communication system, as it establishes the communication style and significantly impacts how both internal and external stakeholders perceive the organization's reputation and image (Harrison & Mühlberg, 2014, pp. 32-48).

Kurt Lewin, Ralph White, and Ronald Lippitt performed one of the earliest investigations of communication styles (1939, p. 271). Each of them developed three different leadership communications styles, Authoritarian, democratic and Laissez-faire (Hackman & Johnson, 2013, p. 40). Each of the communications styles have unique characteristics of how leaders interact with followers, presented in Table 1:

Table 1*Styles of Leadership Communication*

Democratic	Authoritarian	Laissez-Faire
Involves followers in setting goals	Sets goals individually	Allows followers free rein to set their own goals
Engages in two-way, open communication	Engages primarily in one-way, downward communication	Engages in noncommittal, superficial communication
Facilitates discussion with followers	Controls discussion with followers	Avoids discussion with followers
Solicits input regarding determination of policy and procedures	Sets policy and procedures unilaterally	Allows followers to set policy and procedures
Focuses interaction	Dominates interaction	Avoids interaction
Provides suggestions and alternatives for the completion of tasks	Personally directs the completion of tasks	Provides suggestions and alternatives for the completion of tasks only when asked to do so by followers
Provides frequent positive feedback	Provides infrequent positive feedback	Provides infrequent feedback of any kind
Rewards good work and uses punishment only as a last resort	Rewards obedience and punishes mistakes	Avoids offering rewards or punishments
Exhibits effective listening skills	Exhibits poor listening skills	May exhibit either poor or effective listening skills
Mediates conflict for group gain	Uses conflict for personal gain	Avoids conflict

Note. From *Leadership: A Communication Perspective*, by Hackman & Johnson, 2013, (p. 40). Waveland Press

Authoritarian leaders are renowned for exerting stringent control over their followers through the implementation of regulatory policies and the presence of enforcers to monitor their behavior. Additionally, these leaders maintain a certain emotional and physical distance from their followers, as they firmly believe that without constant supervision, their followers would not perform their tasks efficiently. Leaders with a *democratic* style of leadership tend to employ a supportive communication approach that encourages interaction and engagement between leaders and their followers. Democratic leaders promote involvement and participation from their followers when setting goals or creating procedures. They welcome suggestions from their team members and do not feel threatened by them, believing that the contributions of others enhance the overall quality of decision-making. The last communication style is *Laissez-faire*, which also is called non leadership by some. This style

is known for the lack of responsibility from the leader and little guidance and support. The outcome in this case tends to be lack of results, productivity, and cohesiveness. A more positive style of laissez-faire leadership communication lets followers have a high degree of autonomy and self-rule, whilst still giving support and guidance. It does not mean that the leader necessarily participates in the decision-making process unless the followers wish for the leader to participate. An example of this type of communication style can be that the leader just acts as an observer and provides ideas and information to the group deliberations, when asked.

Several follow-up studies have investigated the three different communication styles and have yielded summarized findings (Hackman & Johnson, 2013, p. 40). In relation to the *Authoritarian* communication style, observations have been made of higher productivity, but it also leads to increased hostility, aggression, disconnection, and decreased commitment, independence, and creativity among followers. This style is most suitable when minimal commitment and initiative are required from followers. The use of the *democratic* leadership communication style has been associated with elevated levels of productivity. Additionally, it fosters increased satisfaction, commitment, and cohesiveness among followers. This style is suitable when participation, involvement, and commitment to a decision are desired. In contrast, the *Laissez-faire* communication style can lead to decreased productivity and reduced satisfaction among most followers. It tends to be less innovative compared to the other two leadership styles, and leaders employing this style could be accused by their group of avoiding their leadership responsibilities (Hackman & Johnson, 2013, p. 40).

Cultural Differences in the Hospitality Industry

The hospitality industry typically employs people from diverse cultures. To understand how this can affect the work environment, a frequently used theory is Gert Hofstede's model of National cultures (Litvin, 2019, p. 712). This model consists of six

dimensions of national cultures: power distance, uncertainty avoidance, Individualism/Collectivism, Masculinity/Femininity, Long/ Short Term Orientation, and Indulgence/Restraint (Hofstede, 2011 p. 8). The model was developed based on survey data collected from over 1,000,000 IBM employees worldwide (Litvin, 2019, p. 712). This extensive data allowed for the identification of four main dimensions. The researcher assigned dimension scores to 50 countries for which there were sufficient survey responses. Subsequently, additional dimensions, namely long-term orientation, and indulgence, were incorporated into the model, expanding the number of countries included in the analysis. In this paper we have chosen to focus on *power distance*, *short/long-term orientation*, *individualism*, and *collectivism*.

Table 2

Ten Differences Between Small and Large Power Distance Society

Small Power Distance	Large Power Distance
Use of power should be legitimate and is subject to criteria of good and evil	Power is a basic fact of society antedating good or evil: its legitimacy is irrelevant
Parents treat children as equals	Parents teach children obedience
Older people are neither respected nor feared	Older people are both respected and feared
Student-centered education	Teacher-centered education
Hierarchy means inequality of roles, established for convenience	Hierarchy means existential inequality
Subordinates expect to be consulted	Subordinates expect to be told what to do
Pluralist governments based on majority vote and changed peacefully	Autocratic governments based on co-optation and changed by revolution
Corruption rare; scandals end political careers	Corruption frequent; scandals are covered up
Income distribution in society rather even	Income distribution in society very uneven
Religions stressing equality of believers	Religions with a hierarchy of priests

Note: From “Dimensionalizing Cultures: The Hofstede Model in Context”, by Hofstede, G., 2011, *Online Readings in Psychology and Culture*, 2(1), (p. 9).

Hofstede explains *power distance* as the extent to which individuals within organizations or institutions, such as families, accept and expect the division of power (Hofstede, 2011, p. 9). This reflects the cultural attitudes towards hierarchical structures and the distribution of authority among members. He divided this dimension into two categories: *small* and *large* power distance. Each category is associated with different perspectives that reflect how national societies perceive and experience power distance.

Hofstede's research indicates that countries in Asia, Africa, Latin America, and Eastern Europe tend to exhibit a higher degree of power distance, whereas Germanic and English-speaking Western countries lean towards a smaller power distance. In a more recent study called the Globe Project, researchers examined the effects of power distance in different countries (Meyer, 2015, p. 107). They discovered that in countries with a small power distance, the ideal boss is perceived as a facilitator who promotes equality among colleagues. Conversely, in countries with a high power distance, the ideal boss is seen as a strong leader who takes charge and leads from the front.

Long-term and short-term orientation refers to how individuals prioritize their focus between the present, past, and future, and how their choices and behaviours are influenced by this temporal perspective (Hofstede, 2011, pp. 13-15). Hofstede's research revealed that East Asian countries and parts of Eastern and Central Europe tend to have a long-term orientation. South and North European countries, as well as South Asian countries, exhibit a medium-term orientation. On the other hand, the United States, Australia, Latin American countries, African countries, and Muslim countries tend to have a more short-term oriented approach. Among Scandinavian countries, Norway ranks the highest in terms of future and long-term orientation. This is supported by factors such as a robust welfare state, high levels of societal health, government planning, and an active political ideology (Warner-Søderholm, 2012).

Table 3*Ten Differences Between Short-Term and Long-Term Oriented Societies*

Short-Term Orientation	Long-Term Orientation
Most important events in life occurred in the past or take place now	Most important events in life will occur in the future
Personal steadiness and stability: a good person is always the same	A good person adapts to the circumstances
There are universal guidelines about what is good and evil	What is good and evil depends upon the circumstances
Traditions are sacrosanct	Traditions are adaptable to changed circumstances
Family life guided by imperatives	Family life guided by shared tasks
Supposed to be proud of one's country	Trying to learn from other countries
Service to others is an important goal	Thrift and perseverance are important goals
Social spending and consumption	Large savings quote, funds available for investment
Students attribute success and failure to luck	Students attribute success to effort and failure to lack of effort
Slow or no economic growth of poor countries	Fast economic growth of countries up till a level of prosperity

Note: From “Dimensionalizing Cultures: The Hofstede Model in Context”, by Hofstede, G., 2011, *Online Readings in Psychology and Culture*, 2(1), (p. 10).

Environmental and social sustainability performance inherently involves long-term considerations, focusing on resource preservation and regeneration (Longoini, 2013, p. 226) Cheer and Lew (2017, p. 280) highlight that the tourism industry experiences gradual social, political, and economic changes influenced by various contextual factors. Deploying strategies in businesses, especially concerning environmental and social sustainability, presents challenges. These priorities are intricate, interconnected with traditional operational priorities, and demand a long-term outlook (Longoni & Cagliano, 2015, p. 217).

Individualism and *collectivism* reflect the extent to which individuals are integrated into groups. In *individualistic* cultures, there is an expectation for individuals to primarily look after themselves and their immediate family (Hofstede, 2011, pp. 11-12). *Collectivist* cultures emphasize strong social cohesion, where individuals are integrated into close-knit

“extended families” that provide mutual protection and demonstrate strong loyalty. Table 4 presents a summary of the distinct characteristics associated with each group:

Table 4

Ten Differences Between Collectivist and Individual Societies

Individualism	Collectivism
Everyone is supposed to take care of him- or herself and his or her immediate family only	People are born into extended families or clans which protect them in exchange for loyalty
"I" – consciousness	"We" –consciousness
Right of privacy	Stress on belonging
Speaking one's mind is healthy	Harmony should always be maintained
Others classified as individuals	Others classified as in-group or out-group
Personal opinion expected: one person one vote	Opinions and votes predetermined by in-group
Transgression of norms leads to guilt feelings	Transgression of norms leads to shame feelings
Languages in which the word "I" is indispensable	Languages in which the word "I" is avoided
Purpose of education is learning how to learn	Purpose of education is learning how to do
Task prevails over relationship	Relationship prevails over task

Note: From “Dimensionalizing Cultures: The Hofstede Model in Context”, by Hofstede, G., 2011, *Online Readings in Psychology and Culture*, 2(1), (p. 12).

According to Hofstede, *individualism* is typically observed in Western countries, while *collectivism* is prevalent in Eastern countries (Hofstede, 2011, p. 12). Japan stands out by being situated between these two dimensions, exhibiting characteristics from both individualistic and collectivist cultures. These dimensions hold significance for societies worldwide and serve as a fundamental framework when analysing and understanding cultural differences.

Organizational Strategies and Priorities

It has become standard for businesses to partake in some sort of environmental or social sustainability efforts that relates to their operation (Longoni & Cagliano, 2015. p. 218). Environmental efforts relate to traditional cost-leadership strategies, where efficient use of resources and waste reduction is cost-saving for the business. Development of green and

“social” services/products falls within the category of creating differentiation business strategies. This suggests that businesses can integrate sustainability efforts into their traditional competitive strategies, without needing to form completely new general strategies. Companies that introduce environmental and social sustainability priorities tend to integrate them into their existing operational strategies rather than adopting completely new competitive approaches. This integration approach indicates that social and environmental sustainability are not treated as isolated business priorities but are incorporated to enhance and expand traditional operational strategies. Furthermore, Longoni's study revealed that companies prioritizing both environmental and social sustainability, alongside traditional priorities, perform better in both short-term financial performance and long-term operational and sustainability performance (Longoni & Cagliano, 2015. pp. 221-238). This suggests that integrating sustainability considerations into business strategies can lead to positive outcomes across various performance indicators.

Another aspect concerning organizational strategies in the hospitality industry, is the concept of centralization vs. decentralization. The hospitality industry has shifted towards centralizing more of its functions to corporate headquarters, raising a new challenge of balancing the need for efficiency vs. customization (Chang-Hua & Hsiu-Yu, 2013, p. 401). Centralization could improve consistency in brand image and customer experience, cost savings and a joint strategic alignment, but also bring forth challenges regarding social sustainability. A larger centralization of organizations can lead to a limited adaptability, where individual hotels' local contexts are not fully understood by the headquarters (Øgaard et al., 2008, p. 661). Since the local context is of high importance when working to improve social sustainability, this could pose challenges for the industry. Centralization could also lead to slower decision-making through its top-down based processes being less responsive to

fluctuations in the market. The rate of innovation could be stifled through less creativity due to the individual hotels having less free reign to experiment new ideas (Zábojník, 2002, p. 3).

Career Expectations in the Hospitality Industry

In recent years there has been an increasing number of students, with 36 % of the Norwegian population having a higher education (Statistics Norway, 2022). This also includes an increasing number of students majoring in hospitality and tourism management, being eligible for work in hotel, event, and transportation industries (Kim & Spears, 2022, p. 304). To attract skilled leaders, it is important for the hospitality industry to understand the wishes and needs of the next generation of employees.

A previous study compared undergraduate students from two different countries that have an individualistic and collectivist approach (Kim & Spears, 2022, pp. 304-317). Students from the U.S and South Korea were examined regarding their perspectives on work, job satisfaction, work involvement and job expectations. According to Hofstede, the United States has a culture that is one of the most individualistic in the world. When it comes to South Korea, they are known to have a very collectivistic culture. The study's notable findings revealed that students from the United States exhibited a more positive work attitude towards the hospitality and tourism industry compared to students from South Korea (Kim & Spears, 2022, p. 315). A higher proportion of students from the United States actively sought employment in the industry, potentially contributing to this disparity. Additionally, students from the United States demonstrated greater involvement in the hospitality and tourism sectors compared to their South Korean counterparts. Moreover, students from South Korea exhibited lower motivation, job satisfaction, and earning levels compared to students from the United States. This highlights the significance of providing students with opportunities to engage in educational programs and internships, enabling them to gain job experience and attain personal achievements. Extensive research has demonstrated that job involvement is a

crucial factor in shaping job attitudes. The findings underscore the importance of investigating shifts in motivation and leveraging students' expectations based on their academic status and personal aspirations. This emphasizes the need to align educational and career development strategies to better meet the evolving needs and aspirations of students.

In a recent survey conducted in Norway, 100.000 students were asked what is most important for them, when choosing a workplace (Gramnæs, 2023). Table 5 presents a list of the ten most important factors uncovered in this study:

Table 5

Universum Student Survey

1.	A good work environment
2.	Competitive starting salary
3.	Good prospects for high future earnings
4.	Professional training and development
5.	Variety in job tasks
6.	Job security
7.	Respect for employees
8.	Good reference for future career
9.	Supportive leaders for personal development
10.	Leadership opportunities

Note. From *Universum Studentundersøkelse*, by Universum Global, 2023 May 24th.

Corporate Social Responsibility in the Hospitality Industry

There are various terms used to refer to the concept of a company's commitment to social responsibility. Some of the common names include social responsibility (SR), corporate citizenship, and in the context of tourism, corporate sustainability. Corporate social responsibility has multiple different definitions, this thesis will use the definition from the Environmental Sustainability Index (ESI):

Corporate sustainability is a business approach that creates long-term shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments. Corporate sustainability leaders achieve long-term shareholder value by gearing their strategies and management to harness the market's potential for sustainability products and services while at the same time successfully reducing and avoiding sustainability costs and risks. (Yale et al., 2005)

The definition says that by incorporating social responsibility practices into an organization's strategy it can provide a competitive advantage within the marketplace, making it an important outcome for the host organization. Important factors for the success of CSR policies are manager's perceptions towards these policies, informal communication channels, proactive engagement with stakeholders, and flat power hierarchies (Baumann-Pauly et al., 2013, p. 703). The idea about CRS emerged from the belief that corporations have an obligation to work for the betterment of society. The area of CSR is expansive and lacks a clear-cut definition, yet it has a big impact on research, conversations, and efforts made in the intersection of commerce and community.

In 1992, there was a significant surge in the attention and emphasis on sustainability. The implementation of Agenda 21 forwarded by World travel and tourism council (WTTC), the world tourism organization (WTO) and Earth council set international guidelines relative to sustainable tourism (Holcomb et al., 2007, pp. 462-465). The WTO went on and established the Global Code of Ethics for Tourism (GCET), a set of ten principles whose purpose is to guide stakeholders in tourism development. In Europe, two different hospitality organizations established the *Initiative for improving CSR in the hospitality sector*. The European Federation of Food, Agriculture, and Tourism Trade Unions (EFFAT) drafted different parameters regarding equal opportunities, discrimination, working conditions, "fair play", and health and safety. These different stances are important, because they tell us the

actions related to the adoption and engagement in social responsibility behaviour from the industry instead of externally derived governmental compliance directives.

Creating Shared Value

The term Creating shared value (CSV) is of a newer origin but gained widespread attention in 2011, when Michal E. Porter and Mark R. Kramer gave an introduction in *Harvard Business Review*. Here, they described CVS as: “policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates” (Porter & Kramer, 2011, p. 6).

There are three ways a business can achieve both economic and social value: 1. By reconceiving products and markets. 2. Redefining productivity in the value chain. 3. Building up supportive industry clusters in the company's location. Porter and Kramer also see CSV as a new form of capitalism. In their book, *Putting Purpose into Practice*, they state that two different assumptions of financial capitalism remain unchanged - firm centricity and financial priorities (Mayer & Roche, 2021, pp. 92-94). This is evident in their elaboration of local cluster development, which involves identifying the business's weakest points that pose the most significant obstacles to its productivity and growth. The objective is to separate the areas where the company can directly exert influence, from those where collaboration with external entities would be more cost-effective. They suggest that firms should be a part of the local cluster programs when they involve activities that aid their own productivity and growth. Concerning the interaction between business and society (unless there are rare instances where the interests of the company and the community are in complete harmony), the business tends to enhance competitiveness when creating shared value (CSV). Porter and Kramer do not give any specific tips for new practice, but there are suggestions for local cluster developments, lower resource consumption, and more efficient use of technology.

Risk

Risk is a broad term, with different implications for different industries. In this thesis, the focus has been on risks associated with social sustainability, especially the interpersonal contact between staff and guests, as well as amongst staff themselves. The perceived job risks for hotel employees are mainly centred around interpersonal contact with guests and colleagues, as well as health risks from physically demanding work (Jordhus-Lier et al., 2011; Xie et al., 2020, p. 742). Misconduct includes inappropriate behaviour and emotional responses. Work conflicts could also arise from the diversity in the staff group, like differences in religion, educational and cultural background, age, gender, and culture. High workloads, shift work and long working hours could also pose risks. To treat human risk, these possible misconduct scenarios should be incorporated in the management at the hotels, and in the training of employees (Xie et al., 2020, p. 744).

Management risks involve negative impacts on hotel employees caused by negligence or lack of support from management, and organizational shortcomings related to risk management. Managerial factors are insufficient safety training and poor daily management. Actions that can improve managerial risks include development of professional safety protocols and establishing a strong safety culture (Xie et al., 2020, p. 735). A successful risk management system could aid in employee satisfaction, retention rates and easier recruitment for the industry, due to the close links between perceived job risk and negative occupational images (Xie et al., 2020, p. 739).

Jordhus-Lier (et al.) conducted a study in 2011, questioning employees working in Norwegian hotels about discrimination and harassment. Waiters reported the highest degree of experienced discrimination and harassment, followed by receptionists and cleaners. Cleaners stated that the discrimination mostly came from other colleagues (90%), but all staff

categories combined reported that their closest leaders (68%) and hotel management (54%) were the source of the discrimination.

Sexual harassment was most prevalent for waiters, where 30% had experiences connected to this, with 90% of the harassment originating from their colleagues. 10% of receptionists had experienced sexual harassment, but this was mostly from guests (87%). In the course and conference-department, 18% of staff reported experiences with harassment, where their closest leader was the source of harassment (90%) (Jordhus-Lier et al., 2011, pp. 365-366). Close to 80% of the respondents reported that they first contact their closest leader to report problems at work.

Union Presence in the Hospitality Sector

The Norwegian Model is built on strong unionization rates and social compromises, and the hospitality industry can be seen as an anomaly due to their low degree of unionization (Bergene et al., 2014, p. 119). The traditional industries in the country have achieved a high degree of unionization, perhaps helped by the homogenous base of employees creating a shared sense of identity. The same has not been true for service industries, who have had a large degree of labour immigrants, temporary staffing, and outsourcing (Bergene et al., 2014, p. 121). This has led to a weaker and more asymmetrical social partnership between employers and employees, along with the wage gap to other industries increasing.

Whilst unionization rates in public work is close to 100%, private industries number sit at around 60%. Few statistics are available for the hotel industry, but it was reported at 14% in 2006 (Jordhus-Lier et al., 2011, p. 367). Within the cleaning industry, under a third of employees are unionized, overrepresented by Norwegian workers and those who have been longer in the industry. This group has the highest reported amount of work-related health problems in hotels. They also experienced a high degree of job uncertainty, with over 60% fearing losing their job (Jordhus-Lier et al., 2011, pp. 359-362).

The department leader for hotels in Fellesforbundet voiced that reasons for low unionization in the industry could be due to the culture, low degree of organization, high turnover, and leaders with low understanding of laws and contractual frameworks regarding labour (Martinsen, 2023). With a collective agreement in place through unionization, workers are guaranteed fair wages, predictability in work schedules and a bigger influence in the workplace. In a Norwegian study from 2011, receptionists (43%) and cleaners (30%) reported being unsatisfied with their pay. Cleaners (53%) and waiters (42%) desired more secured hours monthly in their contracts (Jordhus-Lier et al., 2011, p. 362).

The Norwegian Transparency Act

The inspiration for our thesis is the Norwegian Transparency Act, which took effect on the first of July 2022 (Forbrukertilsynet, n.d.). This recent legislation aims to promote corporate responsibility and accountability in the areas of human rights and working conditions. The act requires enterprises to publish information about their work to address these issues and make it publicly available. The law demands that large businesses do due diligence over possible human rights violations in their own business and all parts of their supply chain. They have an information requirement on how they are handling the negative consequences in their business, and they are evaluated from the due diligence assessment in line with OECD's guidelines.

According to the United Nations, Norway is among the countries in the world that are most concerned with safeguarding and protecting human rights (FN-Sambandet, 2023). It is the Norwegian government that is responsible for ensuring that human rights are protected and respected in Norway, but in recent years, more responsibility has shifted to the companies and the term "corporate social responsibility" has become a well-known term for businesses (Kumar & Sharma, 2014). Despite the United Nations emphasis on social responsibility and the shift to corporate social responsibility, Norwegian companies had not previously been

mandated to report on their practice in this regard before the Transparency Act (Forbrukertilsynet, n.d.). The accounting law in Norway only demands that large, listed enterprises provide reports on social responsibility, which include social conditions (Regnskapsloven, 1998, § 3-3 c.). This means that other smaller companies operating in Norway are not legally required to disclose information about social conditions. However, there is increasing pressure from stakeholders, such as investors, customers, and voluntary organizations, for companies to be transparent about their CSR reporting (Kumar & Sharma, 2014). The new Transparency Act tries to fill this information gap and demands yearly reports from businesses with more than 50 workers and a yearly revenue surpassing 70 million NOK (Åpenhetsloven, 2021, § 3 a).

Regnskapsloven

Before the Norwegian Transparency Act took effect, Regnskapsloven (the Accounting Act) was the only law demanding reporting on social sustainability in Norway through a new paragraph from 2013: §3-3c, *Redegjørelse for Samfunnsansvar*. This paragraph requires all big enterprises to report on social responsibility. The report must at least entail details surrounding the enterprises work with human rights, working environments, social conditions, the external environment, equality, non-discrimination and combating corruption and bribery. According to §1-5, enterprises are accounted as big, if they are public limited companies, listed companies or other companies obligated to keep accounts if specified regulations set by the ministry (Regnskapsloven, 1998, §1-5). The statement about corporate social responsibility should at minimum include: a) a description of the company's business model, b) a description of the company's guidelines for handling the mentioned issues, including conducted due diligence assessments, c) impacts of the guidelines, d) the significant risks associated with the company's operations related to the mentioned issues. Where relevant and material, information should be provided regarding business relationships, products, or

services that are expected to have a negative impact on the mentioned issues, as well as how the company manages these risks, and e), relevant performance indicators for the company's operations (Regnskapsloven, 1998, §3-3c). The law also requires firms to provide a justification if they do not have guidelines or policies regarding social sustainability. These statements should be included in reports and be publicly available. Businesses have the option to prepare these statements in accordance with a reporting framework established at the national/European level, or organizational level.

One weakness of the law is that it only requires big companies to report on social sustainability. There were no specific reporting requirements for social sustainability regarding small and medium-sized companies, even though research shows that small companies are bad at reporting working conditions, gender equality, discrimination, and external environment (Ditlev-Simonsen, 2014). According to §3-3a, medium-sized companies must provide information about the work environment, including a list of actions taken to ensure a safe and healthy workplace. They must also report any injuries or accidents that occur. As such, workplace health and safety are an area that requires reporting. Additionally, §3-3b requires all firms, including medium-sized companies, to provide a description of their actions regarding gender equality. In 2014 the EU stated that all companies in the EU had to report “non-financial information”. The new requirements are in alignment with requirements from 2013 regarding corporate social responsibility from Regnskapsloven.

Methodology

The methodology chapter of this study provides an overview of the research approach, design, data collection methods, and data analysis techniques employed to address the research problem and supporting research questions. The research problem focuses on how the hotel industry in Stavanger can leverage social sustainability initiatives and effective leadership to enhance reputation and attract skilled employees. The supporting research

questions explore the role of effective leadership in risk management, challenges arising from cultural differences among hotel industry employees, and the creation of shared value through cooperation with local organizations. It also discusses the measures taken to ensure methodical quality, validity, reliability, and ethical considerations. Additionally, this chapter acknowledges the limitations of the study. By examining various aspects of the research process, including research philosophy, approach, design, data collection, analysis, and quality assurance, this chapter aims to provide a comprehensive understanding of the methodology employed in this study.

Research Philosophy

The research philosophy creates the metaphysical foundation of research that encompasses ontology, epistemology, and axiology. These essential components shape the researcher's approach and guide their actions throughout the study (Kafle, 2013, p. 193). Given the nature of the research, this thesis is built upon a *hermeneutic* and *phenomenological* perspective. This is due to the aim of the research being to explore hotel leaders' subjective experience of social sustainability, and how this influences their actions at their workplace.

Hermeneutics is studying the intricate processes of interpretation, whilst phenomenology is typically characterized as an exploration of the essence. Originating from philosophy, these approaches are often used in research surrounding human science. A research philosophy has been formed from the combination of these two philosophical approaches, *hermeneutic phenomenology*. This research philosophy is widely used in Scandinavian countries (Kakkori, 2009, p. 20). It is an interdisciplinary qualitative research approach that enables researchers to explore subjective experiences, cultural phenomena, or social interactions, and their influence on everyday practices. By employing this method, the researchers extracted narratives from participants, using them as valuable sources to gain insights and comprehension (Oerther, 2020, p. 293). This approach is useful when the goal is

to delve into the underlying meanings, interpretations, and contexts associated with a phenomenon or set of data. Hermeneutic phenomenology is not attributed to a single author, but rather emerges from the collective ideas proposed by various scholars throughout different periods (Kafle, 2013, p. 192).

Research Approach

In this thesis, an inductive, qualitative investigative approach has been employed to tackle the research problem. This decision was driven by the nature of the study, which revolves around investigating a phenomenon that lacks a foundation in prior research. A general inductive approach aims to uncover the core meanings present in the data that is relevant to the research objectives, free from the constraints imposed by structured methodologies. The most relevant themes or categories are identified and presented to the reader (Thomas, 2006, p. 241). The purpose of the inductive approach in this thesis is to clarify the process of data reduction, through the development of summary themes or categories derived from the raw data. The findings are a product of various interpretations made by the researchers coding the data. The assumptions and experiences of the researchers influence the shaping of the findings during the study and data analysis process. For the findings to be applicable, evaluators must make judgments regarding the relative importance of different aspects within the data (Thomas, 2006, p. 239).

Inductive approaches are typically linked to qualitative research methodologies, which also is the case in this thesis. The data collected is written in words, and not numbers, which is the case for quantitative research. The research often has multiple goals, influenced by the data collected through the research (Saldana, 2011, p. 8). Qualitative research aims to comprehend the studied phenomenon from the participants' perspectives and employs an inductive investigative strategy. The researcher seeks to derive concepts, hypotheses, or theories from the study findings. Qualitative research is very descriptive, because it is centred

around what the researcher learns from the informants (Merriam, 2015, p. 6). The specific genre of qualitative research utilized is, as previously mentioned, *hermeneutic phenomenology*. The reason for taking this approach, as opposed to a quantitative approach, is the flexibility. The research centres around a newer phenomenon, social sustainability, and the researchers wish to further the knowledge of how hotel leaders understand and incorporate this element in their organization. The approach can also help to uncover what strategies have proven to be effective and what challenges and obstacles the hotel industry is facing. The hope of the study is to gain valuable insight into the perspective and experience of hotel leaders and their work with social sustainability. This would have been hard and inefficient to measure in a quantitative study through numbers, since the complexity and nuances in the data could have gotten lost.

Research Design

The framework and the design of the study is described through the chosen research design. The optimal research design is one that effectively addresses the research problem within the limitations that are presented, like time, budgetary and skill constraints (Mligo, 2016, p. 51). One can divide research designs into three different categories: descriptive, causal, and exploratory (Ghauri et al., 2020, pp. 61-67). In descriptive research, the problem being investigated is well-defined and thoroughly understood and is often structured with clearly stated hypotheses or investigative questions (Cooper & Schindler, 2001, pp. 134-153). In causal studies, the problem is surrounded by “cause and effect” problems (Ghauri et al., 2020, pp. 64-65). Researchers often attempt to isolate the underlying cause or causes of a phenomenon, and then evaluate to what degree these factors lead to specific outcomes or effects. The last category, exploratory research, is often used when the research question is less understood. This is also the case for the research question in this thesis, and the choice of research design will be exploratory.

Exploratory research calls for the right skills to be used so one can observe, collect information, and construct explanations. This is called *theorizing* and requires the researchers to abstractly analyse information and possess the ability to provide a framework for comprehension and interpretation by others (Ashworth et al., 2019, p. 320). Exploratory studies are suitable for generating hypotheses, or research questions for further investigation, when the researchers do not know which problems they will encounter (Cooper & Schindler, 2001). Additionally, it is well-suited for projects characterized by limited time and financial resources, making it an ideal choice for the research process employed in this thesis. The research is exploring the concept of social sustainability in the hospitality industry, which is a phenomenon that has not been extensively researched before. The new Transparency Act was also used as an inspiration for the study, but due to its recent implementation, the researchers did not have data or empirical studies available related to the Act. The unknown research field called for exploratory research and *theorizing*, since it was difficult to predict which problems could occur during the process.

Given the limited understanding of social sustainability within the hospitality industry, and lack of data surrounding the new Transparency Act, the researchers hope to increase the knowledge surrounding the industry's efforts at addressing social sustainability and evaluate their knowledge and implementation of the Transparency Act.

Time Horizon

Given the nature of this research being conducted for a thesis, there were practical constraints in terms of data availability and the time frame allotted. This was kept in mind whilst creating the research question and objective, to make it appropriate for a *cross-sectional* study approach. Cross-sectional studies are characterized by data collection taking place either at a single time point or over a brief period (Levin, 2006, p. 24). In this study, the data was collected through interviews that all took place in the month of May 2023. The aim

was to capture the knowledge and attitude possessed by hotel leaders at the current time, related to social sustainability.

Sampling Strategy

Primarily associated with quantitative research, sampling is the selected group of observed units. Sample validity is highly important in quantitative research, since the purpose is to achieve a statistically valid conclusion. This is different for qualitative research, where understanding, gaining insights and creation of explanations are the main purpose (Ghauri et al., 2020, p. 108). Typically, qualitative research delves deeper in a problem, and has fewer observations than quantitative research. These lower numbers of observations are justified by the ability to do a more thorough exploration. This makes qualitative research more suitable when the objective is to better understand a phenomenon in depth (Ghauri et al., 2020, p. 98). The validity of a sample is dependent on its accuracy and precision. An accurate sample is free from bias, by including both people overestimating factors and others underestimating them. These two extremes will counter each other out, resulting in an unbiased sample (Cooper & Schindler, 2001, p. 164). Important steps in the process are considering the relevant population, interests, sampling frame, size and type of sample needed. For this thesis, the choice landed on *purposeful sampling*. This is a common method in qualitative research, where one selects information-rich cases believed to have insight related to the phenomenon explored. This method is suitable when rich understanding is more important than achieving generalizability. Several types of *purposeful sampling* exist, and they emphasize either similarity or variation. This thesis focused on variation in the sample and aimed for *maximum variation*. This method is suitable for exploring variations in how the sample has adapted to different conditions (Palinkas et al., 2015, p. 534). Due to the phenomenon explored, social sustainability, being influenced by local conditions, maximum variation was deemed a suitable strategy. The variation also opens for the possibility of a greater range of applications

by readers or consumers of the research and could improve the transferability and external validity of the study (Misco, 2007).

The researchers planned interviews with leaders at six local hotels in the Stavanger region believed to have insights and experiences of the phenomenon of social sustainability, after receiving recommendation from their supervisor. These individuals were suggested based on our supervisor's previous knowledge gained through their involvement in various meetings and conferences. Consequently, it is likely that the participants included in our sample were more knowledgeable and invested in their positions compared to those who were less active in the local professional community. This is typical for *purposeful sampling*, where one wishes to select participants with higher knowledge or experience to make best use of the limited resources available for the research (Palinkas et al., 2015, p. 534). Daniel (2019, p. 94) argues that sample saturation is made elusive by limited resources, and that complete saturation is impossible since there is always new data that could be discovered. He further argues that the main task of the researchers should be to recruit participants that could give different perspectives and settings surrounding the researched phenomenon, to maximize the findings of the research (Daniel, 2019, p. 96).

The researchers aimed to include hotels from varied locations in the Stavanger region. The sample consisted of hotels in the city centre, and in other different geographical areas, to uncover potential differences in their respective local environments. Many of the hotels included in the study were part of larger hotel chains, and the researchers believed that incorporating additional hotels from the same chains would not yield significantly different results. Thus, the researchers were satisfied with the level of diversity achieved in the sample. The interviews conducted provided a multitude of perspectives on the research topic, generating substantial data for interpretation. To ensure the manageability of the analytic tasks, including the interpretation and categorization of the data, it is important to end the data

collection with enough time left for discussion and finalizing of the research (Vasileiou et al., 2018).

Data Collection Method

Different ways of collecting data are through observation, interviews, surveys, and experiments (Ghauri et al., 2020, p. 95). Due to our research question demands of thorough and extensive information, the primary data will be collected through interviews. Primary sources of data are original research, without interpretation representing an official position or opinion (Cooper & Schindler, 2001, p. 260). Tied closely to source, scope tells us how much the sources cover. What period are the sources from, and are the material from a specific region, nation or international? Understanding scope helps us find essential information, and create complete sources (Cooper & Schindler, 2001, p. 262). Secondary sources were used to build the foundation of our research. Theory was found through Google Scholar, Oria and relevant databases. We used our scientific understanding and critical thinking to judge whether the information was reliable. We mostly used peer-reviewed articles, with a higher number of citations from relevant sources. Through guidance with our mentor, other staff members at the University and meetings with a librarian skilled in the tourism sector, we got valuable help and insight in finding relevant sources.

Interviews

Interviews are often considered the best method of data collecting, due to the ability to gain rich insight through detailed answers from the participants. This method can be split into structured, unstructured, and semi-structured interviews. In a structured interview, a standard format is used, with emphasis on fixed response categories, combined with statistical methods and quantitative measures. In an unstructured interview, the respondent is at almost full liberty to discuss all aspects surrounding the issue topic. The interviewer only gives lead questions and record responses. Semi-structured, in-depth interviews differ from both

previously mentioned methods, and demand greater skill of the interviewer. A greater emphasis must be put on the design of the interview and techniques used. The interview questions must be carefully planned, and personal bias, unrepresentative sampling, and omission of questions must be avoided. The interviewer benefits from being well-versed in theory and experiences surrounding the research topic. This helps with asking relevant follow-up questions during the interview (Ghauri et al., 2020, p. 116).

The advantages of semi-structured, in-depth interviews are that fewer constraints for the respondent can lead to more accurate and in-depth information, and more freedom for the interviewer to delve into more sensitive topics through asking for further elaboration of answers. This method of data collection is suitable for exploratory studies, and falls within a subset of semi-structured, in-depth interviews called *conversational interviewing*. This is a flexible style that allows deviations from the prepared interview guide. Conversational interviewing allowed the researchers to clarify terms and questions when the respondents' showed signs of misinterpreting or lack of understanding (Lavrakas, 2008, p. 152). This can improve accuracy of the results, especially when the respondents do not initially connect the question to the relevant knowledge and expertise that they possess. This was very useful when the researchers delved into the topic of social sustainability. Many did not seem to fully understand the term, but it was uncovered throughout the interviews that they were involved with many activities connected to the phenomenon. This had not been possible if the researchers followed a very strict and structured interview protocol. A downside to this flexible interview style, is that experimental studies have shown that this increased the average interview length by 80% compared to standardized techniques (Lavrakas, 2008, p. 153). This limits the number of questions one could ask, as well as how many interviews one has time for in the research process.

Preparations. The first steps of preparations leading up to an interview are to analyse the research problem, understand what information you wish to gain from the respondent, and see who can provide the desired information. Summed up, you wish to gain valid information from the most relevant person, through asking the right questions. The sample method used, *purposeful sampling* and *maximum variation*, demanded that the researchers evaluate the hospitality industry present in Stavanger, searching for hotels that displayed behaviour indicating that they were making efforts towards a higher degree of social sustainability, as well as implementation of the new Transparency Act. After deciding which hotels were desirable to include in the sample, the next step was to create an interview guide. To test the quality of the interview guide, the researchers asked for insights from their supervisor and from other researchers. A mock pilot study was conducted, where the first draft of the interview guide was tested to see if the interview subject understood them, and if the questions facilitated a relevant conversation and knowledge exchange. This resulted in the interview guide being made shorter, grouping different questions into 11 broader and more open-ended general questions.

Since respondents might be reluctant to sit through long interviews, they should ideally last around an hour (Ghauri et al., 2020, p. 118). This was considered when revising the interview guide, and the final draft of the interview guide is attached in the appendix of this thesis.

Approach. Once the previous steps are completed, it is time to approach the desired interview objects. We chose to do this through email, with plans to follow up through phone calls if we did not receive replies. We were positively surprised that we quickly got positive responses back, and most of the leaders we contacted were willing to meet with us. In the initial contact, we offered to send the interview guide in advance if they wished to prepare for the questions, and we informed them that the results from the interviews would be

anonymized in the final research paper. It is important that the researchers need to create a situation where the respondent is positive and willing to sacrifice their time to contribute to the research. To create motivation to participate in our research, we informed that the results of the study hopefully would benefit the hotel industry and provide new knowledge and suggestions for improvement.

During. At the start of the interview, we introduced the study, and oriented the respondent about the privacy policy through Sikt. After the respondent signed the consent form, the tape recorder was started, and the questioning could begin. We were careful to not ask any leading questions, to avoid influencing the answers given. The researchers doing the interview acted encouragingly and showed interest, to facilitate a productive conversation. Some careful control was necessary to keep the conversation on relevant topics and control the time. Sensitive questions should be asked carefully and asking harsh questions or pressuring for direct answers surrounding sensitive topics should be avoided (Ghauri et al., 2020, p. 123). The researchers had to keep this in mind during the interview process, since questions surrounding unwanted experiences and the topic of unionizing could be considered sensitive. If the respondent seemed uncomfortable or reluctant to talk about these topics, they were reminded that they could opt out of answering, which one of the respondents chose to do regarding the topic of unionizing.

The researchers chose to conduct the interviews with one person mainly in charge of asking the interview questions, and the other writing down notes. The person doing notes could also pitch in if they wanted to ask a question or needed something explained further. Being two researchers was positive in the interview process, since it made it easier to ensure that all relevant topics got explored, in addition to having multiple perspectives on the respondents' answers.

Post-Interview. Shortly after each interview, we discussed how we thought the meeting went, and looked over the notes along with some characterisation of the respondent and our perception of the mood during the interview. We transcribed the tape recording of the interview, and started the process of data interpretation, reduction, and categorization. After we concluded the research, our final rapport was sent out to all respondents along with a message of gratitude for their contributions.

Interviewer Monitoring. Our interview quality was positively influenced by being two researchers present at every interview conducted. This can reduce interview-related measurement errors and interviewer falsification (Lavrakas, 2008, p. 373). It was easier to achieve a good flow in conversation and explain questions further if any confusion was felt by the respondents. The support from each other also made it easier to ask more critical and challenging questions to respondents. Before concluding the interviews, the researchers asked each other if they had any more questions or if we could finish the interview.

Interviewer related errors often cancel themselves out due to the errors being random, therefore not threatening data validity. To avoid skewing responses, interviewers should appear neutral when asking the respondents questions (Lavrakas, 2008, pp. 375-379). The researchers did however acknowledge the respondents' answers during the process, to help them feel comfortable and keep a good conversation going.

Data Analysis

To extract insights from the gathered data, it is necessary to perform data analysis. A common challenge in qualitative research is the potential overwhelming and unstructured nature of the data. This issue arises from a limited understanding of the research problem and the inclusion of irrelevant information within the data. The process of data analysis seeks to address these challenges by organizing and structuring the data, extracting meaningful patterns, and breaking down the complex dataset into its constituent components (Ghauri et

al., 2020, pp. 130-151). Researchers attempt to gain insights from the data by addressing problems and hypotheses, while organizing and reorganizing the collected information. Various methods exist for conducting data analysis, one of which involves establishing structure through three distinct phases: 1. Data reduction, 2. Data display, and 3. Conclusion drawing and verification. During the data reduction phase, researchers selectively choose, concentrate, and simplify the data, aiming to identify categories and patterns from written field notes or transcriptions (Miles & Huberman, 1994). During this phase, critical analysis is of vital importance. In the Data display phase, the researcher arranges the information using various visual representations such as figures or matrices. In the third phase, Conclusion drawing and verification take place, wherein the researcher seeks to understand the significance of the findings and evaluate their implications in relation to the research questions at hand. These phases are utilized in the thesis to optimize the outcomes derived from the data.

Grounded Theory and Coding

Grounded theory is widely recognized as a qualitative research method that involves a systematic approach to collecting and analysing data, with the goal of developing a comprehensive conceptual theory (Glaser, 1999, pp. 836-837). This method follows a structured progression from basic description to conceptual ordering and theorizing. The core of the data analysis process lies in coding, which entails breaking down the collected data, comparing different elements, and categorizing them. Initially, the analyst engages in coding the data and rigorously analyses the codes to validate or substantiate specific propositions. Subsequently, the analyst shifts focus from active coding to meticulously inspecting the data for categorization properties, while employing memos to track the analysis and develop theoretical ideas. By adhering to this systematic approach, grounded theory offers a robust framework for generating meaningful insights and constructing a well-grounded conceptual

understanding. “Coding means naming segments of data with a label that simultaneously categorizes, summarizes, and accounts for each piece of data. Coding is the first step in moving beyond concrete statements in the data to making analytic interpretations” (Charmaz, 2006, p. 43). The coding process can be divided into three different phases, open, axial, and selective (Walker & Myrick, 2006, pp. 547-551).

In this thesis we have used all three phases to identify and categorize key themes and patterns. Table 6 illustrates the application of inductive coding in this research study:

Table 6

Coding System

Open Coding	Axial Coding	Selective Coding
Knowledge	Managerial Perception of Social Sustainability The Transparency Act	Knowledge about Transparency Act and Social Sustainability
Risks	Challenges Guests Union Organizations Working Conditions	Risk and Hotel Policies
Community Engagement	Cooperation External Actors	Corporate Social Responsibility and Creating Shared Value
Leadership	Leadership Communication Cultural Differences Autonomy	Leadership Style and Communication Cultural Variation: Power Distance and Motivational Perspectives Long-Term Perspective

Open coding is about breaking down the data and comparing, examining, conceptualizing, and categorizing. Axial coding is the step after open coding, where one puts together the data in new ways. The codes will be linked to different contexts, patterns of

interaction and causes. The last step is selective coding. It is about finding the core categories and relating it to other categories. Core category refers to the main category where all the other categories are integrated. The researcher must validate the relationship and see if the categories need to be adjusted for further development. The results of the research are presented under the main categories formed through the coding process.

Through open coding, we developed broad categories after finishing transcribing and labelling the data. This phase showed us what the hotel leaders considered the most relevant aspects of social sustainability. Through the axial coding, connections and relationships were drawn between the categories identified during the first coding phase. The final step, selective coding, narrowed down the analysis to the most crucial or influential aspects of social sustainability in a hotel context. These coding techniques helped us systematically categorize and analyse the data from the conducted interviews. The categorization of data was done manually rather than through a program, due to the researchers not wanting to lose any of the nuances in the data. One surprise discovery was that the respondents connected the term social sustainability mostly to their own staff group, and how to improve working conditions to aid in the retention and recruitment of employees. The researchers originally thought they were more likely to focus on social sustainability in regard to their customer group and marketing efforts.

Although no software program was used for coding, the program NVivo was used to create the Word Cloud model and the Mind Map. Visualization is a valuable tool for presenting and illustrating the data in a clear manner.

Methodical Quality

The process of empirical research entails gathering and examining data and other relevant information (Ghauri et al, 2020, p. 78). The reliability and effectiveness of the research largely rely on the appropriateness of the data collection, the quality of the data

collected, and the proficiency of the data analysis (Cooper & Schindler, 2001, p. 210). To assess the quality of characteristics being studied, three different tools have been utilized for this thesis: *internal validity*, *external validity*, and *reliability*. Validity is a familiar concept in research literature, which pertains to the extent to which a researcher captures the intended target of investigation with accuracy. Validity encompasses various classifications, and diverse strategies can be employed to ascertain the reliability and validity of qualitative studies (Merriam, 2015, p. 242). Reliability entails that other researchers could be able to replicate the study and gain the same results through using a similar methodology (Golafshani, 2003, p. 598).

External Validity

External validity refers to the extent to which the findings of a study can be generalized or applied to other people, settings, and time periods beyond the specific context of the study itself (Cooper & Schindler, 2001, p. 211; Merriam & Grinder, 2019, p. 253). In other words, how generalizable are the results of the research study? As mentioned previously in the Sampling Strategy sub-chapter, the chosen sample population is a vital factor for external validity (Misco, 2007).

It is crucial to avoid excessive control of factors that could affect the outcome, as this may lead to results that can only be applied to highly controlled and artificial situations, limiting their generalizability to real-world contexts. In qualitative research one cannot use generalizability in the statistical sense, but it is still possible to learn something from it. In qualitative research the most common understanding of generalizability is to use *reader* or *user generalizability*. This refers to thinking in terms of the reader or user of the study. The readers must decide for themselves to what extent the study applies to their situation, and the people around them. To achieve this, we focused on making the research easy to interpret, by descriptions, defining the terms used and providing clear limitations. Since the phenomena

researched, social sustainability, is closely linked to the local community and the employees of the different hotels, a complete generalizability is difficult to achieve. The findings cannot be dislocated from the settings they occur at, but the research hopes to help develop understanding for new cases and contexts through *theorizing*, aiding future research efforts (Misco, 2007).

Internal Validity

Internal validity refers to the extent to which a discovery accurately reflects the true nature of the phenomenon being studied and corresponds to reality (Merriam & Grenier, 2019, pp. 242-249). In qualitative research an assumption is that reality is holistic, multidimension and ever-changing, instead of a single, fixed objective that can be measured like in quantitative research. This means that in qualitative research one must study people's construction of reality and how they understand and experience the world. In qualitative research the primary instruments of data are human; the reality is access through their observations and the interviews. When doing interviews, it is important to understand the person that is most important in the context to uncover a holistic interpretation of what is going on and the complexity of human behaviour in a contextual framework.

Triangulation. A well-known strategy to use when it comes to internal validity is triangulation. Denzin (2012, p. 84) mentions four types of triangulations, where one uses multiple methods, multiple sources of data, multiple investigators, or multiple theories to confirm emerging findings. In this thesis, we have drawn upon a diverse range of theoretical and empirical materials that are relevant to the topic under discussion. The theoretical foundation encompasses various disciplines such as management, social sciences, and hospitality management, among others. By incorporating theories from these fields, we aim to provide a comprehensive understanding of the subject matter and establish a robust conceptual framework for our research. Furthermore, the empirical material utilized in this

study includes research studies and investigations that are pertinent to the topic at hand. These empirical studies provide valuable insights and empirical evidence that support our research findings and contribute to the development of practical recommendations. Additionally, we have consulted relevant laws and regulations pertaining to social sustainability, as they offer important guidelines and frameworks for understanding the context in which our research is situated. Triangulation is a great way to increase the internal validity of one`s research.

Adequate Engagement in Data Collection. This strategy entails the integrity of the researcher. It is performed through spending time on exploring how the participant understands the phenomena, and then examining the data, searching for how the participants' understanding differs from each other (Merriam & Grenier, 2019, pp. 242-249).

To explore the phenomenon of social sustainability and gain insights into participants' perspectives, we employed a strategy that involved asking them to explain their understanding of social sustainability and engage in reflective discussions. This approach allowed us to capture diverse viewpoints and uncover the participants' individual perspectives on the topic. By obtaining varying perspectives on social sustainability, we were able to develop a nuanced understanding of how each participant perceives and interprets the concept. It is important then to “look for data that support alternative explanations” as Patton (2015) states. When collecting the data, we therefore tried to challenge ourselves by looking at data that would not confirm our expectations about how we thought the hotel industry was working with social sustainability. This helped keep any personal bias minimal, so that we could carry out the interviews without influencing the respondents' answers.

Peer Examination / Peer Review. This is a process where a committee reads and comments on the findings in a study, and is often done for published articles, where they get sent to “peers” knowledgeable about the method and the topic used in the article. The peers examine the article and recommend if they should publish it or not in the journal. In this thesis

we have used peer review journal articles to assure that the findings are reasonable and conducted in the right way. We also asked our supervisor to read and comment on findings along the way in our thesis.

Member Checking. This is a way to validate data in qualitative research, through asking respondents to comment on the researchers' interpretations of the data (Merriam & Garnier, 2019, pp. 26-30). This was done through affirming statements and asking for elaboration on unclear statement mid-interviews, providing them with an option to correct or further expand on statements they made.

Reliability

Reliability refers to the ability of the research outcomes to be the same result if the study was repeated (Merriam & Garnier, 2019, p. 250). In social science, establishing reliability poses challenges due to its focus on human behaviour and the ever-changing nature of our society. Interview respondents could change their opinion regarding the researched phenomenon, which would cause a repeated study to gain a different result. This clashes with the traditional view of reliability, where one wishes to be able to recreate the same results later. Qualitative studies wish to explain the world through the lens of the inhabitants observing it. Consequently, traditional measurements cannot be employed to determine the replicability of results. Instead, a more pertinent question in qualitative research is whether the findings align with the collected data and make logical sense. To ensure data consistency and reliability, strategies mentioned earlier under internal validity can be employed. These include peer review, triangulation, and adopting multiple research positions (Merriam & Garnier, 2019, p. 253).

Response Biases. If respondents do not answer questions truthfully, the validity of the research is threatened (Lavrakas, 2008, p. 376). Bias is a constant and systematic source of

error, and how to minimize bias is a challenge in all research. Different types of bias are presented below, and the steps taken to minimize bias are explained.

Social Desirability Bias. There is a tendency for some respondents to give answers they feel are more acceptable, rather than their “true” answer (Lavrakas, 2008, p. 826). This is done to create a more positive impression of themselves. This might be an even stronger issue for our research since the respondents are high level leaders at their workplace. They likely wish to portray their business in a good light, and focus more on things they do well, rather than negative areas. To tackle this hurdle, we decided to present the results anonymously. Our hope is that this will make it easier for respondents to truthfully discuss the challenges in the industry and share areas where they have potential for improvement. We also tried asking more critical and challenging questions, to make the respondents further elaborate on negative aspects connected to their hotels.

Acquiescence Bias. Occurs when respondents agree with statements from the questions posed by the interviewers (Lavrakas, 2008, p. 376). This was avoided by efforts to stay neutral, and to pose open-ended questions. The respondents were also asked to further elaborate to check and validate their replies during the interviews.

Interviewer Effect. The characteristics of the researcher can affect responses given, by influencing the respondent’s judgment of what will be acceptable answers. This is most prevalent when discussing sensitive topics, related to race, gender, religion or age (Lavrakas, 2008, p. 371). The researchers switched between who “took lead” in asking questions during the interviews, to reduce a potential interviewer variance. Careful wording of interview questions and neutrality also helps lessen the interviewer effect (Lavrakas, 2008, p. 385).

Anonymity. Maintaining the integrity and value of the data whilst preserving the anonymity of the respondents can be challenging (Saunders et al., 2015, p. 617). Since Stavanger is a smaller city, specific details from our interview might be recognisable to others

with knowledge of the local hotel industry. Anonymity is a continuum, where research handling especially sensitive topics and intimate details calls for a higher degree of anonymization. The most common method for anonymisation is assigning pseudonyms or numbers to the respondents. This was utilized in this research thesis. Neither the respondents nor their respective workplaces names are disclosed. We did also censor details that could make the respondents recognisable, like age, gender, sexual orientation, and other background information. This could hurt the richness of details or potential links that could have been used in the discussion (Saunders et al., 2015, pp. 619-625), but the researchers felt this was necessary to achieve a satisfactory anonymisation. Certain details, like which hotels were located close to the city centre, were deemed necessary to include when they had a significant relation to our findings. Since there are many hotels located in the centre of Stavanger, this detail was not deemed a risk to the anonymity.

Ethics

Ethics are norms or standards that guide moral choices in behaviour and relationships to others. This is important to consider whilst conducting research, to avoid inflicting harm to participants, or causing suffering from adverse consequences from research activities. There are many different sides to consider and relying on a single individual's sense of morality is problematic (Cooper & Schindler, 2001, p. 112). Therefore, we have chosen to follow the Norwegian national set of ethical standards for research, De Nasjonale Forskningsetiske Komiteene (FEK). They have a subgroup for social sciences and humanities, Den Nasjonale Forskningsetiske Komité for Samfunnsvitenskap og Humaniora (NESH). NESH was formed in 1990 after an initiative by the Norwegian government. They developed their first set of guidelines in 1993, with revised versions in 1999, 2006, 2016, and 2021 (FEK, 2019).

By Norwegian law, all researchers must act with diligence to ensure that their research is performed in accordance with recognized research ethics norms (Forskningsetikkloven,

2017, §4). NESH guidelines stress the importance of each individual researcher to act responsible, and involve showing respect and consideration of humans, groups/institutions, and clients/financiers/partners. One must also show a collegial responsibility within the researcher community, and convey scientific results, work methods and attitudes to the rest of society (NESH, 2021).

The most relevant part of the guidelines to our research, is collecting a consent form for participation in our study and ensuring anonymity. The consent must be given voluntarily, informed, and free from ambiguity. The consent also gives participants the right to retract their participation without negative consequences, even after the interview has been conducted (NESH, 2021). Our research is anonymous, which gives us a clear responsibility to avoid disclosing information that makes any of the participants possible to identify. This research project gained approval from Sikt, after submitting a registration form detailing the plan for data collection and data storage. Sikt cooperates with different research institutes and ensures that approved research projects follow the privacy laws in Norway (Sikt, n.d.). They offered helpful templates for information letters and consent forms, which the researchers modified and utilized in this thesis.

Limitations

Research on social sustainability in the hotel industry is a relatively new field, and there has been little available literature and studies, especially in a regional context. This created a higher demand for the researchers to navigate theory and structure interviews without being able to imitate or draw inspiration from previous research. The researchers originally wanted to research how Norwegian hotels worked towards compliance with the Transparency Act but decided to move away from this area due to low awareness from local hotels regarding this law. This is believed to originate from the recency of the law being passed, and hotels not being obligated to deliver transparency reports before June 2023.

The OECD guidelines and the Transparency Act both include guidelines regarding supply chains. We have chosen to not include questions about supply chains in the interview questions, due to the scope of our project. The time span and budget for the research was limited, due to the authors writing the thesis as a part of a master's program whilst working part-time. Due to these constraints, a smaller sample of hotels in regional closeness were interviewed for convenience, and the results can therefore not be generalized nationwide or worldwide. Delays in conducting interviews arose due to the time-consuming process of getting our research plan approved. We originally thought we could do the data collection without registering with Sikt, and therefore applied later in the process of writing our thesis. The interviews had to wait until we gained approval, and this took 30 days.

Results

In this chapter, the results from the semi-structured in-depth interviews are presented. The results are categorized in different sections based on the main categories formed in the coding process. These findings serve as a crucial foundation for the subsequent discussion and conclusion, allowing for a comprehensive analysis of the research questions and the implications they hold.

Leadership Perceptions Regarding Social Sustainability

When asked about social sustainability in the hotels, the leaders had varying perspectives on its scope and components. There was less knowledge about the term itself, but every hotel had activities regarding social sustainability. R1 emphasizes the significance of diversity as a key aspect of social sustainability. They recognize the importance of inclusion, fostering a sense of social belonging, and prioritizing the well-being and care of employees. Additionally, R1 highlights the value of granting autonomy to employees and cultivating a work environment that promotes a sense of achievement and fulfilment. R2 states the importance of creating a sense of safety and providing predictability for employees as

essential elements of social sustainability. They believe that ensuring a secure and stable work environment is crucial for promoting well-being and fostering a sustainable social framework. R3 was the first to mention the local community, when asked about his/her thoughts on social sustainability. He/she states that they have different collaboration and network connections with other businesses, events, and people in the area. He/she explains that it is important that they are involved in the local area, and he/she uses most of their time to create activity and collaboration within the hotel and local area. He/she points out that when they do activities connected to social sustainability, the focus is not on monetary gain. This is an expectation all the way up to top management. R4 believes that social sustainability is a relatively new concept, seen as a subset of overall sustainability, and suggests that the industry lacks control over the term and needs to make efforts to understand and address it to keep up with times. They emphasize that social sustainability involves elements such as equality, a risk-free environment, and a stable workplace. R4 also highlights that various barriers can hinder the achievement of a safe work environment within the industry, including language barriers and differing perspectives among employees regarding laws and regulations. R5 is emphasizing that the term social sustainability is connected to the millennial generation and that they do different activities connected to social sustainability. They have a leader group which meets twice yearly, to discuss how they can improve the work environment and retain skilled employees. They also offer course and social arrangements to their employees and hire external speakers to further develop their employers. Another measure the respondent is mentioning is to place workers in different roles to give the employers more dynamic and fun tasks. He/she mentioned the importance of trusting the employees in different roles and to support and help every employee. R6 is mentioning inclusion, diversity, and responsibility as important aspects when it comes to social sustainability. R6 addresses further that it is hard to talk about social sustainability because it is too broad of a term.

Figure 2

What do you think of when you hear the term Social Sustainability?



Note. Word Cloud generated from interview replies where the size and placement of words is based on frequency of mentions (Own figure).

Risk and Responsible Business Conduct

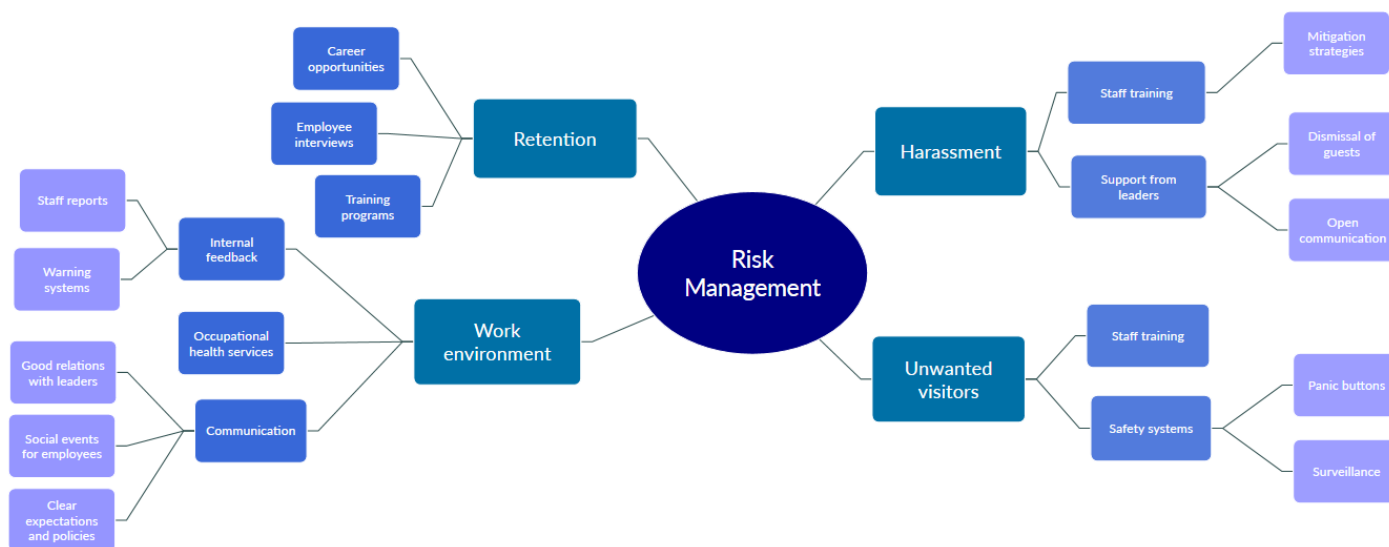
The hotel experiences different challenges and risks that they are dealing with, and this is affected by the location of the hotels and their strategies. Every hotel has different strategies and guidance policies when it comes to social sustainability. According to R1 they had problems regarding people with drug issues entering the hotels and using the bathrooms, as well as taxi drivers and other local inhabitants at night-time. This was improved by installing codes on bathroom doors. They have a panic button in reception which can be used to summon security guards, and they also have security guards present during busy periods which can control names for people entering rooms. R1 states they have a formal training program for receptionists which includes training in how to spot signs of trafficking and other illicit activities. The subject has been discussed amongst staff, and the available online training and seminars have been appreciated. R1 highlights the importance of analysing situations instead of people to avoid prejudice. R2 states that their biggest risk is present when guests are in one-to-one contact with staff, especially when alcohol is involved. They will not

allow abuse or harassment towards staff and will dismiss any guest that displays this sort of behaviour. Staff in the different departments receive training and guidance relevant to their work, on how they should treat their guests and what is appropriate. R1 also mentioned that they had problems regarding the overview of different entrances and that this has caused problems regarding control of who is entering the hotel. R1 states that they have a different safety management system. This is being managed from the headquarter in the hotel chain, but they are visiting different locations and doing audits.

Regarding arrangement R1 argues that Christmas parties can be challenging, but in the last year it has shown improvements. They have more problems when it comes to elderly guests, than young regarding inappropriate conduct, especially when alcohol is included. R1 has worked at hotels in different cities and was surprised at how prevalent drug use is in Stavanger, and that this poses challenges for the hotel. R2 explained that their most challenging guests are the firm related, more than when they have private arrangements. When they host big events, it is always a leader present, and they show zero tolerance for racism and harassment. R1 and R2 offer Occupational health services (OHS), to follow up and aid employees after experiencing difficult situations at work. R3 emphasizes that one of the most challenging groups of guests to manage are young individuals traveling without adult supervision. This demographic tends to exhibit disruptive behaviours such as running around the hotel premises and creating excessive noise. Consequently, both guests and hotel employees experience discomfort and dissatisfaction. As a result, the overall work environment becomes less conducive, leading to diminished employee morale and a sense of reluctance when these groups are present at the hotel. R3 asserts that during the Christmas season, it is preferable to deal with individuals who are under the influence of alcohol rather than young people engaging in disruptive behaviour. Fortunately, due to their location outside the city centre, they are spared from the typical challenges associated with drugs and

intoxicated individuals commonly found in urban areas. R4 and R6 address that they do not have any specific challenges regarding guests, but R4 have experienced that it varies a lot where the hotel is located. R4 mentioned that they have challenges regarding foreign guests with different backgrounds and norms/habits than in Norway. R1, R2, R3, R4 and R6 state that it is important to remember that hotels are an open building and open 24/7 and unwanted people will therefore always be a challenge. R5 acknowledges that they have established general policies concerning employee behaviour and expectations. However, they allow individual hotels within the chain to determine how these policies should be implemented. R5's objective is to maintain a high standard across their hotels to ensure a safe environment. They actively encourage internal feedback from employees to identify areas for improvement and address any shortcomings within their respective hotels. Moreover, R5 emphasizes the importance of employees having comprehensive knowledge about various departments to provide optimal guest service. R5 also explains that they have implemented several measures to ensure a safe working environment. These include conducting risk analysis, conducting employee interviews and daily reports from front staff's experiences with current guests. They have also established a warning system that allows employees to easily report deviations and unwanted incidents anonymously.

R5 believes that their commitment to maintaining high standards at the hotel, combined with active input from management, has resulted in fewer unwanted incidents. R6 states that they have risk analysis regarding the risks in the local community and unwanted incidents at the hotel. The risk analysis is being discussed in the leader group every week and they go through it thoroughly once a year. They have different training and courses for front staff to prepare them for unwanted incidents and internal systems where staff can report on mentally and physically incidents.

Figure 3*Risk Management Measures*

Note. Mind map generated from risk management measures mentioned by respondents (Own figure).

Industry Changes and Working Conditions

During the interviews conducted with the respondents, the topic of union organization emerged as an area that the industry should prioritize. However, the respondents expressed varied opinions regarding union organization, working conditions, and the potential for improvement in the recruitment process.

R2 expresses a belief that the current state of union organization within the industry is inadequate, and they express a desire for a higher number of individuals to be part of unions. They argue that increased unionization could lead to improved working conditions, a more effective means of addressing misconduct, and better wage agreements. R2 also acknowledges that the topic of unionization is not given enough attention and admits to facing a role conflict as a leader in advocating for this among employers. They firmly believe that the industry would be stronger, safer, and more appealing as a workplace if a greater number of individuals were part of unions. They emphasize the importance of local engagement and

express disappointment that the industry's level of union organization falls short in comparison to Norway's strong tradition of organized unions. R2 attributes the low level of unionization within the industry to a combination of factors, including the presence of a predominantly young workforce and a lack of cultural inclination towards union involvement. They suggest that fostering collaboration within the industry could potentially address this issue. R2 acknowledges that a more robustly organized union presence might result in increased taxes for the hotel industry, but they believe it is the industry's responsibility to subsequently adjust prices accordingly. However, R2 observes that hotels are often hesitant to discuss organized unions due to concerns over potential cost escalations. When asked about the potential impact of organized unions on creating a more appealing and stable workplace, R3, R4 and R5 expressed uncertainty. R3 admitted that he/she never anticipates that the industry is going to have the same high level of unionization like other sectors such as the oil industry. R3 attributed this observation to the fact that the hospitality industry tends to hire individuals at various stages of education, including those with limited education, women, and foreigners. Consequently, the industry is perceived as a social pool utilized in discussions with authorities. In other words, it offers a relatively low entry barrier for employment. R3 further opined that there might be instances where society's expectations place too much emphasis on educational qualifications, highlighting a trend where employers increasingly require formal education. R3 believes that the workers in the industry do not perceive the benefits of union organization, and the industry itself is content with this lack of unionization. They view it as a source of freedom for both employers and employees. R3 does not believe that employers would fare better if they were unionized, expressing concerns about increased bureaucracy and intricate procedures that may arise as a result. They argue that it is preferable for the industry to maintain a reputation as a good workplace with high turnover rather than becoming overly structured and rigid to curb turnover rates. While generally supportive of

union organization, R3 does not consider it a suitable solution for the industry. R4 highlights that the current model of union organization is outdated, resembling practices from the 1980s. They emphasize the need for a modernization of working methods within union organizations to align with the present-day work environment and to appeal to younger workers. R5 states that it is important to have union organizations in places where the leadership is poor, and the employers are not receiving the right payment or treatment. They explain that in such cases, union representation becomes crucial for safeguarding employee rights. However, R5 also acknowledges that some employers do not recognize the importance of being unionized and that younger generations today are more concerned with good management. This is attributed to the fact that many hotels now understand the significance of treating their employees well, which may lead them to perceive a decreased need for union organization. After assuming a leadership role, R5 observes a notable increase in the number of employees who voluntarily resigned from the union organization. They emphasize that one factor influencing this decision is the financial cost associated with union membership. Many employees choose to remain in the union only if they encounter work-related issues or problems.

R2 mentions that rogue actors are a problem in the industry, and that this could hurt recruitment efforts. They have both internal and external systems for dealing with unwanted experiences in the workplace, to support workers who have had a physiological or physical injury at work. Highlights the importance of being able to report issues anonymously, especially regarding problems between staff members.

Neither R1 or R2 wish to have employees working shifts with little rest in between, like a receptionist working 15-23 and then 07-15 the next day, which has previously been the norm in the industry. This is however flexible after the individual workers wishes. R1 has not received any formal complaints to HR but has worked on improving shift schedules in restaurants and bars, to create a better work-life balance. R6 recognizes the importance of

creating a conducive living situation for employees and emphasizes the significance of a positive work environment in fostering employee retention at the hotels. They also have internships and training programs to foster career opportunities and development.

R2 highlights a recruitment challenge in the industry, wherein the centralization of management has led to the disappearance of traditional office positions, and hotels are primarily in need of staff in evenings and weekends. They note that the tariff system lacks wage progression for individuals with relevant bachelor's or master's degrees, instead focusing on professional certificates. R2 emphasizes the importance of promoting career opportunities within the industry, such as enabling employees to attain management positions at a young age and facilitating rapid career advancement. R2 and R5 wish for the education level in the industry to improve, but R3 and R4 acknowledge that the industry has been successful in providing job opportunities and acting as a gateway for newcomers to enter the workforce.

Cooperation Between Hotels

Regarding the collaboration and cooperation with hotels, there are varying perspectives on its necessity and potential to enhance the focus on social sustainability. Different opinions exist on whether such collaboration is essential or not in addressing social sustainability concerns. During the interviews, the researchers learned that a casual social group of hotel leaders exists, occasionally coming together to cultivate stronger relationships among the hotels. This group serves as a platform for social interaction and provides an opportunity for discussions related to industry challenges and professional aspects.

R1 expresses satisfaction with the existing level of collaboration among hotels in Stavanger, emphasizing that further collaboration is not necessary. They highlight the positive rapport and strong connections they have established with other hotels, occasionally gathering for social events. On the other hand, R2 acknowledges the value of collaboration specifically concerning social sustainability. However, they also acknowledge that Stavanger already

demonstrates a higher degree of collaboration compared to other cities. R3 is stating that the meetings in informal social groups have meetings 3-4 times a year and there are approximately 34 participants. According to R3, these meetings contribute to enhanced collaboration among the hotels and emphasize the importance of such collaboration within the industry, but there has been no talk of social sustainability in the meetings. R3 expresses openness to cooperating with other hotels on social topics if each hotel maintains its unique identity and style. R4 and R5 is addressing that all the different hotels have different values and work areas, something that can affect collaboration between the hotels. R4 expresses that it is more natural for them to work with hotels within their own hotel chain. R5 and R6 points out the positive collaboration already in place among the different hotels and underscores the importance of active involvement. They commend Stavanger as a city known for fostering open dialogue and continually striving for improvement. R6 shares insights from their meetings with other hotel leaders, highlighting discussions centred around promoting inclusivity and strategies to attract students to the hospitality industry. During these meetings, R6 noted a prevailing sentiment among hotel leaders that the industry has "lost its pride."

Transparency Act

None of the leaders have experience working directly with the Transparency Act, and some of them were not even aware of its existence. R1 were not familiar with the Transparency Act. R3 learned about the Transparency Act through requesting information from the head office of the hotel chain, finding out that they had indeed worked on compliance with the Act separately from hotels. R3 points out that there is a significant shortcoming in terms of implementation across all the hotels. They emphasize the need for clear communication from top management regarding the actions required to address social sustainability. R3 observes that a crucial pitfall lies in the absence of individual-level initiatives that support the overall strategy outlined by top management. Furthermore, they

highlight the lack of training or courses provided to employees regarding the Transparency Act and social sustainability. R2 has limited familiarity with the Transparency Act but recognizes a key issue with its implementation. They find it problematic that the responsibility for addressing the act is primarily delegated within the hierarchical systems of hotel chains instead of being actively pursued at each individual hotel. R1, R2 and R4 emphasizes the need for more comprehensive information about the law to effectively conduct the required work and how it applies to the hotel industry. R4, R5 and state that they are working with a lot of different laws and regulations and that the laws require enormous forces to handle. R4 expresses that the most important with the law is to ensure that no one suffers at the other end of production. Among the respondents, only R4 extensively addressed the issue of the supply chain, expressing their concerns and providing in-depth insights. In this context R4 mentioned that they are working with external actors to detect problems in the supply chain and that they trust the system above is handling this matter in the most appropriate manner. R5 is aware of the Transparency Act, but clarified that their HR department are responsible for handling it. R5 mentions that a workgroup is scheduled to develop a plan on how to effectively comply with the law and implement necessary measures. R6 is aware of the Transparency Act. Further he/she explains that the structure of the law is from the top management and that they streamline the reporting in that way. He/she also explains that they already did a lot before the Transparency Act came and that there were not that many changes after the law got implemented.

Navigating Leadership, Communication, and Cultural Differences

Regarding their communication with staff, both R1, R2 and R4 talked about experiences with multicultural staff having more difficulties with reporting problems and critiques to leaders. They are not used to the flat power structure in Norway and need extra reassurance and consistency to trust and feel comfortable with sharing insights to people

higher up. Both R1 and R2 purposefully do “low level” tasks at the hotel, like helping serve guests, carry suitcases etc. to demonstrate a low power hierarchy. R1 shares that he/she wishes to be perceived as positive and sociable and tries to participate at events hosted in and around the hotel to keep in contact with staff and guests. R1 has also invited every member of the leader group for individual meetings, where he/she actively sought out feedback on leadership and communication, since employees often will not organically give critiques to a director or leader without being encouraged to do so freely.

In communication with the leader group and in meetings with employees, R2 focuses on diversity as the most important and challenging part. They have many different cultures represented in their staff group and learning to understand each other and work together is vital. The joint meetings with leaders and employees happen every 2 months and include visits from external actors regarding different themes. R2 views openness and good onboarding routines as key to achieving a good work environment. R4 expresses their primary concern about being observed as a leader by new employees and the importance of being vigilant in identifying and addressing instances of injustice, discrimination, or harassment. They point out that one of the challenges they face is the mistreatment of individuals from diverse backgrounds, leading to ethnic segregation and hindered communication within the group. R4 believes that addressing this issue requires training and education, which they feel should be improved in university programs. They acknowledge their awareness of cultural differences but express a need for guidance on how to effectively handle such differences.

Regarding their work surrounding social sustainability, R3 expressed concerns regarding the absence of a structured approach that actively engages the leadership team and employees in this endeavour. R3 acknowledges that they currently lack the proficiency to effectively organize and address the aspects of social sustainability and stated that the initiative mostly came from the top and would halt if he/she moved jobs. The reliance on the

director for driving initiatives related to social sustainability, underscoring the need for a more sustainable foundation that extends throughout the organization and involves all employees. R5 emphasizes the significance of leaders being the primary point of contact for employees and maintaining an open-door policy. They believe it is crucial for leaders to demonstrate care and actively seek out employees to gather feedback. R5 mentions the existence of a diverse leader group comprising individuals of different ages, which contributes to a wider range of experiences and perspectives within the team. This diversity, in turn, enhances overall knowledge. To foster trust between leaders and employees, R5 adopts a proactive approach. They send out emails to employees before each season, outlining what behaviour from guests is unacceptable and providing guidance on how to handle such situations and de-escalate them effectively.

R3 thinks that different ethnicities and cultures amongst employees affect the needed leadership style and communication methods but adds difference in motivation as an equally important factor. Certain employees are curious and want to develop their skills, as well as be socially active in the workplace. Some other workers are not as involved, especially foreign workers. Their focus is on performing their duties and collecting their wages, shying away from social gatherings and further involvement in the workplace. Getting this group of employees motivated is more difficult. R3 thinks that showing this group the hotel's social sustainability initiatives might influence them to be more involved. Further on, R3 discussed the fact that they are a large operation, and he/she is responsible for communicating expectations to the employees. He/she states that they need to focus more on the "softer" side of business, regarding social issues and involvement. He/she believes that this may be connected to the need to learn to loosen up control, to achieve a higher degree of involvement and initiative from staff. This has not been a priority so far.

Recruiting has been a challenge, with difficulties getting enough qualified applicants. R3 focuses on showing off that the hotel is involved in many different activities and events, to be perceived as the most desirable workplace.

When discussing risks related to harassment of staff, R3 mentioned that employees have different thresholds regarding what is acceptable or not. The support from leaders is dependent on the reaction communicated by involved staff. There is a zero-tolerance policy regarding sexual harassment but is unfortunately an event that is hard to eliminate in the industry. Staff receive training on how to handle difficult situations and how to try diffusing the situation before it gets more severe. R1 also provides training exercises for staff regarding diffusing difficult situations.

Local Community and External Actors

Regarding social sustainability and inclusion, R3 wishes to show employees good values and different types of people through cooperation with different local actors and the municipality. They believe this can make the workplace seem more rewarding and meaningful and lessen prejudice. There exist formal strategies demanding involvement in local activities, but this can be freely chosen by each hotel in the group. Believes the industry is vital to the employment of people who lack education or experience.

R1 wishes to connect with the local area and be a gathering place. Is a large employer and cooperates with local businesses and events. R2, R4 and R6 are passionate about young people and those who fall out of education and the labour market, and think the industry is a unique place to give these people a new chance. They cooperate with different charities and give NAV-clients a chance for work training and further employment. R4 and R2 have distinct demands in this matter. R4 has expressed their specific requirements to NAV regarding the duration of training for workers, emphasizing the need for an extended period to reduce turnover. On a similar note, R6 also shares the objective of having workers for a

longer duration, expressing concerns that the current durations of 14 days or 6 weeks are insufficient. R6 emphasizes that acquiring job knowledge and building confidence require more time and suggests that a longer period would be beneficial for these purposes. On the other hand, R2 aims to incorporate a specific number of apprentices every year.

R4 does not have any specific collaboration within their local community and are uncertain about how they can actively work towards improving this situation. R5 notes that they want to contribute to areas around the hotel and that because of their location in the city centre they often are connected to big arrangements. The respondent highlights a positive development wherein the business community in Stavanger has taken proactive measures to address unemployment issues in the city. R6 says that they have autonomy in choosing which organizations and local charities they can choose and choose places where they think they can assist the most regarding inclusivity.

Discussion

This paragraph is discussing the result from the semi -structured, in -depth interview with respondents and builds upon existing theories and empirical research to enhance our understanding of the hotel industry's practices in promoting social sustainability. By examining topics such as industry changes, leadership, risk management, collaboration, and the Transparency Act, the interviews shed light on the strategies employed by hotels in Stavanger to effectively address social sustainability while mitigating associated risks.

The supporting research questions helped us investigate how hotels approach issues related to social sustainability in their business and local community:

- 1. How can effective leadership practices in risk management mitigate negative impacts?*
- 2. What specific challenges arise from cultural differences among employees in the hotel industry in Stavanger?*
- 3. How can cooperation with local organizations create shared value?*

These research questions served as a foundation for our exploration, allowing us to delve into the strategies and practices employed by hotels in managing risks, communicating internally to promote social sustainability, and implementing measures to prevent and address social sustainability issues within their operations.

Risk and Hotel Policies

Incorporating effective communication and well-integrated operational plans within hotels plays a crucial role in ability to increase social sustainability (Baumann-Pauly et al., 2013; Harrison & Mühlberg, 2014; Moran & Brightman, 2000). By incorporating these plans into a system, hotels can effectively manage risks and challenges while identifying and evaluating negative impacts. This structured approach enables a clear focus on areas that require attention, ultimately contributing to the enhancement of social sustainability practices. The OECD-guidelines explicitly emphasize the significance of proactively preventing negative impacts and developing tailored plans to address them (OECD, 2018, pp. 21-35). It underscores the importance of adopting proactive measures to mitigate adverse effects and establishing appropriate strategies to foster social sustainability. The findings reveal that each hotel faces distinct risks and challenges. Hotels located near the city centre encounter issues related to drug-related incidents and disturbances caused by locals at night-time. Measures such as implementing panic buttons, providing formal training programs, and conducting online training and seminars for receptionists to identify signs of unwelcome guests have proven effective in mitigating these concerns. Hotels located in more quiet areas have less issues from outsiders, and mostly encounter risks with guests staying at their hotel or attending events they host. There are differences with what type of guests the different hotels perceive as the most challenging, with some mentioning company groups and other younger groups with less parental figures present. These variations demonstrate that each hotel confronts unique problems and challenges, necessitating the development of individualized

strategies and systems. Our findings were similar to those of Jordhus-Lier et al. (2011), who suggested that a good safety culture, protocols, and open communication through the different departments of the hotel needs to be in place to create stability and foster a good work environment for the employee (Jordhus-Lier et al., 2011). It is noteworthy that many hotels lack specific individual plans tailored to address their distinct negative impacts, relying instead on generic systems established by top management. The OECD-guidelines explain that it is important to stop, prevent and reduce negative impacts by developing plans that are suitable for the different risk areas in the specific context (OECD, 2018, pp. 21-35). By improving risk management, recruitment and retention rates of employees can be improved (Jordhus-Lier et al., 2011; Xie et al., 2020).

Leadership Styles and Communication Regarding Social Sustainability

Leaders bear the responsibility of effectively communicating the risks and potential rewards associated with embracing a significantly different future to their organizations (Denning, 2005, p. 12). It is crucial for leaders to maintain realism and engage in truthful discussions that encompass both the scope of change and potential negative impacts. Leadership communication plays a vital role within an organization's internal communication system, as it sets the tone and significantly influences how both internal and external stakeholders perceive the organization's reputation and image. During the interview, challenges arising from multicultural differences were highlighted, particularly in reporting problems and providing critiques to leaders. The respondents expressed difficulties for foreign staff in adapting to the flat power structure prevalent in Norway, requiring additional reassurance and consistent efforts to build trust and foster comfort in sharing insights with higher-ranking individuals.

To address this, a democratic leadership communication style was employed to promote better involvement of multicultural employees. Measures such as joint meetings with

leaders and employees, openness, inclusivity, and effective onboarding routines were utilized. However, it was also mentioned that not all hotels employed this communication style, particularly when it came to communication from top management to individual leaders at the hotel level. Many leaders expressed dissatisfaction with the lack of information provided by top management regarding the Transparency Act and social sustainability in general. Some respondents highlighted a crucial issue stemming from the absence of individual-level initiatives that support the overall strategy set by top management. They found it problematic that the responsibility for addressing the act primarily resided with the hierarchical systems of hotel chains, rather than being pursued at each individual hotel. In other words, an authoritarian leadership style appeared to be in place, where leaders distanced themselves from followers and did not effectively carry out their duties without direct supervision from top management to individual hotels. During a discussion at a hotel, a leader conveyed their apprehension about their level of engagement with the employees, expressing the belief that "if they were to step down, nothing would be accomplished" regarding the hotel's social initiatives. They acknowledged the necessity of loosening control to foster employee involvement and initiative. It suggests that the leadership style in the hotel leans toward authoritarianism, emphasizing the importance of incorporating certain aspects of the laissez-faire approach and granting greater freedom to the employees. The Authoritarian leadership style can have a negative impact on the working environment in a hotel, as it often results in decreased commitment among followers and creates a sense of disconnect (Hackman & Johnson, 2013, p. 40). This style of leadership can undermine the overall cohesiveness and engagement of the team, leading to a less productive and less positive work environment and deterring talented individuals from seeking employment in these hotels

According to the respondents, employees in the hospitality industry have varying thresholds for what they consider acceptable in terms of unwanted incidents and harassment.

The level of support provided by leaders is often dependent on the response conveyed by the staff involved. The respondents also mentioned that training exercises are conducted for staff to effectively handle difficult situations, and a zero-tolerance policy is in place for sexual harassment. It is crucial for leaders to engage in discussions about these issues and communicate the potential negative impacts within the industry, providing an honest and realistic perspective. These findings demonstrate that hotels strive to foster two-way, open communication and facilitate discussions with their employees, reflecting characteristics of a democratic leadership style. As mentioned before, one important factor for CSR is the manager's perception towards informal communication channels (Baumann-Pauly et al., 2013, p. 703). It is therefore important for the leaders in the hotel industry to foster an open and transparent communication channel between leadership and staff.

As previously mentioned, changes have been geared towards the needs of various stakeholders while also considering social and economic objectives (Moran & Brightman, 2000, p. 66). From the interview social and economic objectives were discussed and there were various perspectives on this. Hotel leaders must assume the critical role of change agents, overseeing both the development and execution of change strategies. It is imperative for them to embrace the responsibility of implementing necessary changes. Lewin's (1951, p. 35) three-step process provides a framework for evaluating and preparing a company for change and integrating it into employees' daily work lives (Weick & Quinn, 1999, p. 361). The first step in Lewin's process is the Unfreezing phase, which involves recognizing the need for change and preparing individuals for it. However, from the interviews, it became apparent that the respondents had differing views on what social sustainability entails, and they lacked a clear vision for improving it. In other words, they did not seem to acknowledge the need for change in relation to social sustainability.

The second phase, the Changing phase, calls for exploring new ways or solutions to overcome challenges (Wick & Quinn, 1999, p. 361). While most respondents did not mention specific training or courses on social sustainability, they did engage in various activities and recognized important aspects related to social sustainability. However, discussions about implementing new solutions or approaches were not brought to our attention. The final step in Lewin's three-step process is the Refreezing phase, which focuses on implementing new solutions or approaches (Wick & Quinn, 1999, p. 361). For successful implementation, change agents must acknowledge the need for change and prepare individuals accordingly. In this case, it appears that the leaders did not have clear ideas on how to improve social sustainability in the hotels and instead had only made incremental changes. There was no mention of discussions or attention given to new solutions or approaches. This could partly be due to the centralization of business functions. When individual hotels feel less autonomy in change and decision-making, they might become complaisant with top management's decision (Chang-Hua & Hsiu-Yu, 2013; Øgaard et al., 2008; Zájbojník, 2002). Effective implementation of new solutions and change by leaders is crucial for shaping stakeholders' perceptions of an organization's reputation and image (Harrison & Mühlberg, 2014; Longoni & Cagliano, 2015). Leaders play a pivotal role in understanding and promoting social sustainability and its impact on the hotel's image.

Understanding Cultural Differences

In the hotel industry there are many different workers with different ethnicities, and it is therefore important to be aware of different cultural differences that can affect the workplace. Power distance is one important aspect of this and can as mentioned before be very different from country to country (Hofstede, 2011, p. 9). Many of the respondents explained that they had experienced problems with multicultural staff regarding communication. They explained that many had difficulties with reporting problems and

critiques to leaders and that they were not used to the flat power structure in Norway. Small power distance is as mentioned more common in western English-speaking countries like Norway (Hofstede, 2011, p. 9). Here hierarchy means inequality of roles, established for convenience, but for countries in Asia, Africa and Latin hierarchy means existential inequality. R3 did acknowledge that different ethnicities and cultures amongst employees affect the need for leadership style and communication method and many of the respondents explained that the workers need extra reassurance and consistency to trust and feel comfortable with sharing insight to people higher up. R2 explained that to have a focus on diversity is a challenging and important part of managing employees in the industry. Further he/she emphasized that it is important to understand each other and to work together is vital. To build trust and inclusiveness within the hotels are important for the work environment and if the work environment is negative due to cultural challenges it can have an impact on the motivation among students to pursue a career in the hospitality industry (Kim & Spears, 2022, pp. 314-317).

When it comes to motivation, R3 highlights the significant impact of differences in motivation among employees. He/she has observed that certain employees are curious, seeking skill development and social engagement in the workplace, whereas foreign workers tend to exhibit lower levels of involvement. As revealed by the study conducted by Kim & Spears (2022, pp. 314-317), different countries can have diverse perspectives on work involvement, job satisfaction, and job expectations. R4 shares that one of the challenges they face is the mistreatment of individuals from diverse backgrounds, resulting in ethnic segregation and communication barriers within the group. They believe that addressing this issue necessitates improved training and education, particularly in university programs. While they acknowledge their awareness of cultural differences, they express a need for guidance on effectively managing such differences. This aligns with the findings of Kim & Spears (2022),

emphasizing the importance of investigating shifts in motivation and aligning students' expectations with their academic status and personal aspirations. They further highlight the need to align educational and career development strategies to better cater to the evolving needs and aspirations of students. R6 explained that from their meetings with other hotel leaders, the discussions were centred around promoting inclusivity and strategies to attract students to the hospitality industry. During these meetings, R6 noted a prevailing sentiment among hotel leaders that the industry has "lost its pride". The study conducted in Norway among 100,000 students revealed that a good work environment was considered the most important factor when seeking employment (Statistics Norway, 2022). This indicates that leaders from various hotels are seeking greater focus on managing cultural differences and fostering motivation to create a positive work environment. By addressing these aspects, a better work environment can be established, potentially leading to increased motivation among students to work in the hospitality industry.

Corporate Social Responsibility and Creating Shared Value

Corporate social responsibility is about incorporating social responsibility practices into an organization's strategy, this can be a competitive advantage in the marketplace, but also an important outcome for the host organization (Yale et al., 2005). From the interview we learned that the respondent had done a lot of different activities for the local community. From collaboration with different local actors, acting as a gathering place for the locals, hosting events and giving young people and those who fall out of education and the labour market a chance in the industry. NAV was one of the organizations that was mentioned several times by hotels as an actor they cooperate with. Here they give clients a chance for work training and further employment, in addition to some hotels having a goal of including a certain number of apprentices each year. As mentioned earlier, action related to the adoption and engagement in social responsibility behaviour can originate from the industry themselves,

without externally derived governmental compliance directives (Holcomb et al., 2007, pp. 462-465). Although these efforts can be made to achieve a competitive advantage within the market, several of the respondents voiced in interviews that they had motivations outside of monetary gain and positive publicity, regarding their collaborations and social incentives efforts. They highlighted that hotels had the flexibility to independently choose which organizations to collaborate with based on their own values and objectives. This demonstrates a positive success of CSR policies in the hotels, as their intentions go beyond financial incentives. An important aspect contributing to the effectiveness of CSR policies is the perceptions of managers towards these policies. Additionally, effective communication from top leaders to other parts of the organization plays a crucial role. The fact that many leaders expressed a desire to collaborate with various local organizations further supports the positive impact of CSR policies within the hotels.

Creating shared value involves advancing both the economic and social conditions in the communities where a company operates (Porter & Kramer, 2011, p. 6). One approach to achieving this is building supportive industry clusters within the company's location. In the interviews, the hotels expressed differing views on whether collaboration with other hotels would enhance their focus on social sustainability. However, it was noted that an informal social group of hotel leaders exists in Stavanger, who come together periodically to improve relations among hotels, which is considered a unique feature of the area. Porter and Kramer advocate for firms to participate in local cluster programs, particularly in areas that contribute to their own productivity and growth (Porter & Kramer, 2011, p. 6). In the case of the hotel industry, they collaborate with various external actors. Therefore, it is crucial for them to identify which partnerships are productive and capable of fostering growth. A respondent mentioned that one of the challenges in the industry is dealing with rogue actors, which can negatively impact recruitment efforts. Consequently, it is important for the hotels to carefully

select the actors with whom they engage, ensuring that they contribute to long-term growth and productivity. Porter and Kramer also highlight that businesses often succeed in creating shared value (Porter & Kramer, 2011, p. 6). The cooperation between the hotels and the NAV serves as an excellent example. This collaboration not only benefits the hotels in terms of recruitment but also provides clients from NAV with opportunities for work training and future employment.

Knowledge of the Transparency Act and Social Sustainability

There were varying perspectives among hotels regarding their knowledge and engagement with the Transparency Act. While some were aware of its existence, many expressed a desire for more information about this new law. The law requires large businesses to conduct due diligence on potential human rights violations within their own operations and supply chains (Forbrukertilsynet, n.d.). They are also obligated to provide information on how they address negative consequences and undergo evaluation based on OECD's guidelines for due diligence. However, based on conducted interviews, it appears that the law has primarily resulted in increased bureaucracy rather than improvement efforts directly at individual hotels. The focus on social sustainability does not seem to have been strengthened significantly since the law's implementation. It is important to note that there has been a shift in recent years, with the Norwegian government transferring responsibilities to companies, emphasizing corporate social responsibility. This indicates that hotels have a significant responsibility, and according to the United Nations, Norway is among the countries most committed to safeguarding and protecting human rights (FN-Sambandet, 2023). Therefore, the observation that many hotel leaders are unfamiliar with the term "social sustainability", or the Transparency Act is inconsistent with the United Nations' stance. However, it is noteworthy that the researchers of this thesis struggled to find a single definition of social

sustainability that accurately described the term in a way that is relatable to the tourism industry. This hints at a problem between connecting the theory to practical implementation.

The 1998 Regnskapsloven (Accounting Act) is the primary law that addresses reporting on social sustainability (Regnskapsloven, 1998, §3-3c). It stipulates that large enterprises are obligated to report on social responsibilities, specifically related to human rights, working environments, social conditions, the external environment, equality, non-discrimination, and combating corruption and bribery. Various hotels mentioned different social responsibilities and measures they undertake in accordance with these requirements. However, it appears that many respondents are unaware of any specific reporting obligations or regulations related to these matters. This is most likely due to organizational tasks being centralized in the head offices of hotel chains (Ahmad et al., 2000; Øgaard et al., 2008). To combat this issue, a better dialogue between the head offices and the individual hotels could increase knowledge and expertise and lower the reputation risk from not being directly involved in the work towards compliance with these regulations.

Long Term Perspectives in the Hotel Industry

Efforts to incorporate social sustainability demands a long-term perspective by organizations and their leaders (Cheer & Lew, 2017; Longoini, 2013). As mentioned in the literature chapter, the shift to a higher degree of centralization in the industry can have negative effects on change processes, through slower decision making and lower levels of innovation and adaptability (Øgaard et al., 2008; Zábajník, 2002). This hurts social sustainability efforts, which demands a long-term perspective due to the intricate processes in strategy development. Respondents had varying experiences with top management, with one respondent experiencing a lack in communication (R3). Despite most management processes being centralized, a positive revelation was that the respondents experienced a high degree of autonomy in choosing which charities and local organizations they wished to cooperate with

(R1, R2, R3, R4, R5, R6). This creates a higher ownership over the social programs and initiatives taken by individual hotels. R3 explained that their social sustainability efforts originated from a desire to be involved in their local area, without a focus on monetary gain.

Work training for immigrants and others who had fallen out of employment, were social initiatives mentioned by the respondents as being especially important for them. R4 and R6 showed a long-term perspective regarding work training, with a desire to keep participants in these programs over a longer time (4-12 months). They were passionate about the fact that these participants deserved to get something in return from the work training, either through being offered a position within the hotel or getting enough experience to be an attractive hire somewhere else.

Regarding the issue of labour shortage and high turnover in the industry, all respondents highlighted the importance of establishing a good work environment. Many offered training programs and internships to their employees, to aid them in developing their career within the organization (R2, R5, R6). Some respondents mentioned the fact that the industry does not offer higher salaries to employees with relevant higher education (R2, R3, R4), and rather had employees work their way up the ranks to management positions. Even though this is a good opportunity for those lacking further education, this could lead to a lack of knowledge within the industry. When future managers and leaders all receive training within the hotel chain they work at, there is less input of new perspectives (Xie et al., 2020, p. 744). Norway is an individualistic country with a high education level, and many potential employees with relevant higher education are available to the hotel industry (Warner-Søderholm, 2022). However, they need to be compensated fairly and view the industry as an attractive workplace. The nature of work in the hospitality industry, working evenings and weekend shifts, is less compatible for employees who might be establishing a family life. There were previously more administrative positions available at hotels, which these

employees could have switched to, but the centralization of hotel management has removed the need for these positions (R2). R6 voiced concerns that they have felt a drop in the level of pride employees feel for the work they do. This could be caused by high turnover, low education level and low wages in the industry.

As mentioned earlier, securing employee commitment to a shared (ethical) culture and the pursuit of common organizational objectives has become increasingly challenging (Moran & Brightman, 2000, p. 66). Recruitment challenges and high turnover have long been a problem for the hotel industry (EHL Insights, n.d.; Martinsen, 2023). One of the respondents highlighted the fact that the hospitality industry tends to hire people who are disadvantaged in the job market, like those with less education and experience, as well as a larger number of foreign workers and women than other industries. The industry can be perceived as a social pool for those who risk falling outside of employment, something the industry utilizes to their advantage in discussions with authorities. Although these inclusive hiring practices help with diversity and inclusion, challenges could arise regarding shared cultured and common organizational objectives.

The topic of union organizations was raised, highlighting potential benefits such as improved working conditions, a more effective approach to addressing misconduct, and better wage agreements. This could benefit the social partnership relation between employers and employees and improve the wage gap to other industries. It was acknowledged that leaders may face a role conflict when advocating for unionization among employers. Hotel leaders could be hesitant to engage in discussions about organized unions due to concerns over potential increases in costs, but one of the respondents believed it is the industry's responsibility to subsequently adjust prices accordingly. However, not all respondents shared the belief that unionization would result in improved working conditions for employers. Multiple respondents had been members of hotel unions previously but felt that the current

union model has failed to mature along with the changes in business environment and therefore fails to attract the new generation of employees (R4, R5). Some expressed concerns about potential drawbacks such as increased bureaucracy and complex procedures that may arise because of unionization. They emphasized the potential challenges that employers could face in navigating these intricate processes. These perspectives seem to be short-term oriented, with the managers only seeing the potential immediate negative consequences of unionizing from increased wage costs and regulations. R2 showed a more long-term oriented perspective regarding this topic, seeing the benefits additional regulation and improved work-conditions could have for the industry in terms of reputation and future recruitment. The same respondent also hoped unionizing could help remove rogue actors from the industry.

Conclusion and Recommendations

In this section, we will address our research problem and research questions. We will also discuss the relevance of our study and provide recommendations for further investigation based on the results.

Relevance

The findings of our study hold great relevance as they provide valuable insights into the strategies employed by the hotel industry in Stavanger to enhance social sustainability and attract skilled employees, ultimately improving their reputation. Our research specifically analyses the risks, cultural differences, and leadership challenges faced by these hotels. Additionally, we examine the collaborative efforts of hotels with other organizations in the region to promote social sustainability. By addressing these aspects, our study sheds light on effective approaches that hotels in Stavanger can adopt to enhance their reputation and attract highly skilled employees. The insights gained from our research offer a perspective on the potential improvements that can be made in the hotel industry of Stavanger, contributing to its growth and success. Our study holds relevance due to the diverse range of hotels we

interviewed across various areas. This broader perspective ensures that our findings are representative of the hotel industry in Stavanger. By capturing insights from different types of hotels in different locations, our research provides a comprehensive and inclusive understanding of the strategies employed by the hotel industry in Stavanger to enhance social sustainability and attract skilled employees. The inclusion of diverse perspectives strengthens the validity and applicability of our study, making it more robust and reliable. The study can therefore be used by leaders and scholars in the hospitality industry. Moreover, our research extends beyond the hospitality industry and can be valuable in other educational contexts related to leadership, risk management, and organizational change. The study's recommendations for improvement and further research in the hospitality industry can guide future endeavours and contribute to the advancement of knowledge in this field.

Conclusion

This paragraph will answer the research problem: “How can the hotel industry in Stavanger leverage social sustainability initiatives and effective leadership to enhance its reputation and attract skilled employees?”. The conclusion is drawn from the results of the study, where the following supporting research questions will be answered:

1. *How can effective leadership practices in risk management mitigate negative impacts?*
2. *What specific challenges arise from cultural differences among employees in the hotel industry in Stavanger?*
3. *How can cooperation with local organizations create shared value?*

The findings of our research indicate that hotels in the industry face distinct challenges and problems related to risk management, necessitating the development of individualized plans to address them effectively. However, our investigation revealed that these hotels lack specific individual plans tailored to their unique circumstances, instead relying on generic systems implemented from top management. This lack of personalized planning can result in

a lack of stability in risk management, contributing to the high turnover rate within the industry. Since improving risk management practices is crucial for enhancing the recruitment and retention rates of employees, developing individualized plans and strategies that addresses the unique challenges each hotel faces can help improve stability and mitigate negative impacts. This, in turn, will foster a safer working environment, leading to higher retention rates and the hotel industry being more attractive for recruitment.

Another finding from the research was that the leaders have different views on social sustainability. The research findings reveal that many leaders in the hotel industry tend to have a short-term perspective, which poses a challenge when it comes to implementing successful social sustainability initiatives. It is crucial to adopt a long-term perspective to ensure the development of a positive work environment and culture. However, the results indicate that there is room for improvement in this regard. By prioritizing long-term goals and strategies, leaders can create an atmosphere of stability, trust, and inclusivity. This, in turn, has a direct impact on recruitment efforts and reputation levels of the hotels. A good work environment and culture are highly valued by potential employees, as they seek organizations that offer a supportive and fulfilling workplace experience. When leaders adopt a long-term perspective, they invest in the well-being, engagement and development of their employees. This creates a positive work environment, which in turn attracts skilled individuals who are looking for organizations with a long-term commitment to employee satisfaction.

The findings also revealed that the hotel leaders use different communication styles, which can influence how the hotels address social sustainability. Poor communication can lead to dissatisfaction among employees and potential negative experiences, ultimately deterring talented individuals from working in the industry. To address these challenges, it is imperative for hotels to place a greater focus on their communication style. This includes fostering open and transparent communication channels between leaders and staff, ensuring

that employees feel heard, valued, and informed. Additionally, it is crucial for leaders to align their understanding of social sustainability and actively seek new solutions and approaches to effectively implement within the organization. By improving leadership communication, hotels can enhance their reputation, create a positive work environment, and attract skilled employees who align with the organization's values

Our research findings highlight significant challenges related to cultural differences within the hotel industry, specifically concerning power distance and work involvement. The study reveals that some employees struggle with reporting problems and providing constructive criticism to leaders, as they are not accustomed to the flat power structure commonly found in Norway. These challenges have a direct impact on the work environment, trust-levels, and inclusiveness within the hotels. A positive work environment is crucial for attracting skilled employees, especially among students in Norway. If the work environment is negative due to cultural challenges, it can significantly decrease motivation among students pursuing careers in the hospitality industry. Consequently, it is imperative for the hotel industry to recognize and understand these cultural differences and effectively manage them to enhance their reputation and attract high-quality employees. To address these challenges, hotels need to invest in cultural awareness training and promote a culture of inclusivity and respect. Implementing strategies to bridge the gap between diverse cultural norms and expectations will contribute to a more cohesive and collaborative workforce. It is important for hotels to recognize that managing cultural differences will positively impact their reputation among potential employees, since inclusive and supportive work-environments are sought after. By proactively addressing these cultural challenges, the hotel industry in Stavanger can enhance its reputation, create a desirable work environment, and ultimately attract and retain skilled employees.

Our research findings indicate that hotels in the Stavanger area actively collaborate and engage with various local actors, providing opportunities for work training and employment. This collaborative approach demonstrates that their intentions extend beyond financial initiatives, ultimately impacting their reputation and providing them with a competitive advantage in the market. By actively partnering with other hotels and organizations in the local area, hotels in Stavanger display their commitment to community engagement and social responsibility. Skilled employees are attracted to organizations that prioritize community involvement and demonstrate a genuine commitment to social initiatives. Furthermore, the flexibility exhibited by hotels in choosing their collaborative engagements allows them to align their partnerships with their values and objectives. By strategically selecting collaborations that complement their identity, these social sustainability initiatives can be recognized as more genuine. The hotels' reputation as a collaborative and socially engaged entity can give them a competitive edge when it comes to attracting talented individuals.

To answer the research problem: "How can the hotel industry in Stavanger leverage social sustainability initiatives and effective leadership to enhance its reputation and attract skilled employees?", all previous aspects mentioned in the conclusion needs to be taken into consideration. By adopting a long-term mindset, cultivating a positive work environment through effective leadership, collaboration with local organizations, and genuine prioritizing of social sustainability initiatives, the hotel industry can enhance its reputation and successfully attract skilled and talented employees.

Recommendations

The research in this study uncovered a strategic implementation gap within the hotel industry, regarding how to utilize social sustainability initiatives and effective leadership to improve industry reputation and attract skilled employees. Our recommendation is to further

investigate these aspects within the hotel industry, coupled with increasing the knowledge to understand the impact from leadership and social sustainability for reputation and talent attraction. Given that social sustainability is a relatively new concept, we also recommend further research to delve deeper into its definition and practical implications, particularly within the context of the hotel industry. Exploring the specific ways in which social sustainability can be integrated into hotel operations and leadership practices will provide valuable insights for industry professionals and scholars. In addition to the findings specific to the hotels in the Stavanger region, we also recommend further investigation of these matters in other cities and countries. Expanding the scope of research to different geographic locations will provide a broader understanding of how social sustainability initiatives and effective leadership practices impact reputation and the attraction of skilled employees in different contexts. Since this research only investigated the knowledge and attitude of hotel leaders, a similar study conducted on employees could uncover if there are differences in perspectives surrounding these topics. The conducted study was cross-sectional, meaning it only captured the attitudes surrounding social sustainability at the time the study was conducted (May 2023). It would be interesting for future studies to evaluate if the knowledge and perspectives from hotel leaders will be different later, and a pseudo-longitudinal study can be achieved through repeating this study.

Furthermore, we will recommend that educational institutes have a bigger focus on how leaders can handle the challenges associated with managing a multicultural team of employees. This is of high importance in the hospitality industry, which is characterized by a large cultural variety amongst staff. The industry should also consider rewarding education level with a higher base salary, to increase the level of knowledge among staff and leaders. Our last recommendation is for the government to provide clearer interpretations of laws and regulations related to social sustainability, specifically tailored to the hotel industry. This will

ensure that the regulations align with the unique characteristics and challenges faced by hotels, coupled with placing a greater emphasis on local implementation.

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Appendices

Appendix A - Interview Guide

Role: Date: Platform: Time:	Original Norwegian Interview Guide
Generelle spørsmål	1. Kan du gi en kort beskrivelse av hvordan deres hotell er organisert? 2. Hva tenker du når du hører ordet sosial bærekraft?
Mer spesifikke spørsmål rettet mot sosial bærekraft	3. Kan du fortelle litt om hvordan dere jobber med sosial bærekraft på ditt hotell? 4. Hvordan ville du tro at opplæring og trening av ansatte på et hotell kan bidra til arbeidet med sosial bærekraft?
Spørsmål knyttet til Risikovurderinger	5. Har dere opplevd uønskede hendelser knyttet til gjester, ansatte eller nærmiljøet? 6. Hva opplever du som de største risikoene knyttet til ditt hotell? 7. Hvordan håndterer dere disse situasjonene i etterkant?
Spørsmål knyttet til Nærmiljøet	8. Hvordan ser du for deg at ditt hotell kan bidra inn i den totale bærekraften for nærmiljøet som dere opererer i? 9. Opplever du at ditt hotell har/kan ha påvirkningskraft til å forbedre både nærmiljøet og bransjen?
Spørsmål knyttet til hotellet generelt	10. Hvordan tenker du at en leder skal kommunisere på best mulig måte for et mer sosialt bærekraftig hotell? 11. Hvordan tenker du at hoteller kan jobbe sammen for å skape en mer sosial bærekraftig bransje?

Role: Date: Platform:	Interview Guide - English Translation
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Time:	
General questions	<p>1. Could you give a brief description of how your hotel is organized?</p> <p>2. What do you think of when you hear the term social sustainability?</p>
More specific questions connected to social sustainability	<p>3. Could you tell how you work with social sustainability at your hotel?</p> <p>4. How do you think onboarding and training of employees could aid the work with social sustainability?</p>
Questions connected to risk evaluation	<p>5. Have you experienced unwanted incidents related to guests, employees, or the local environment?</p> <p>6. What do you experience as the biggest risks connected to your hotel?</p> <p>7. How do you manage these situations afterwards?</p>
Questions connected to local environment	<p>8. How could your social sustainability efforts help contribute to lifting your local environment?</p> <p>9. Do you think your hotel has or could have the power to improve the local environment or the industry as a whole?</p>
Questions connected to the hotel	<p>10. How do you think a leader should communicate to increase the level of social sustainability in the hotel industry?</p> <p>11. How do you think hotels could work together to create a more socially sustainable industry?</p>

Note. The full appendix can be obtained via contacting the authors by sending a request to:

267914@uis.no & 264777@uis.no