

The Realisation of Green Ideals into Management Practice: The Use of Management Control System in a Hospitality Setting

(Merealisasi Ideal Hijau dalam Amalan Pengurusan: Peranan dan Penggunaan Sistem Kawalan Pengurusan dalam Kes Hospitaliti)

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ABSTRACT

The hospitality sector has been under pressure to ensure that its operations are environmentally sustainable. The effective implementation of green practices requires a link between environmental strategies, management accounting and control. Hence, the purpose of this paper is to explain how management control systems support the internalisation of green ideals within an organisation. A case study is undertaken of a hotel that promoted its green image, using Dambrin, Lambert and Sponem's (2007) framework to understand the use of Management Control Systems in the internalisation process of the green philosophy of the hotel. The internalisation of the hotel's Environmental Management Practices (EMPs) started with the introduction of the ideal of becoming a green hotel, which was translated and communicated through the notion of a business case. The adaption and integration of green practices have been internalised, mainly with the support of the hotel's informal control techniques.

Keywords: Management control systems; green hotel; environmental management practices; green ideals; hospitality

ABSTRAK

Sektor hospitaliti menerima tekanan untuk memastikan kelestarian persekitaran operasi mereka. Amalan persekitaran yang efektif memerlukan strategi persekitaran dikaitkan dengan pengurusan perakaunan dan kawalan. Kertas kerja ini menjelaskan bagaimana sistem kawalan pengurusan menyokong penghayatan cita-cita hijau di organisasi. Kajian kes sebuah hotel yang mempromosikan imej hijau dengan kerangka analisa Dambrin, Lambert dan Sponem (2007) diguna pakai bagi menjelaskan penggunaan Sistem Kawalan Pengurusan dalam menyokong proses penghayatan falsafah kelestarian di organisasi tersebut. Penghayatan Amalan Pengurusan Persekitaran (EMP) bermula dengan pengenalan ideal untuk menjadi hotel hijau yang diterjemahkan melalui idea perniagaan. Adaptasi dan integrasi penghayatan amalan hijau dilaksanakan, terutamanya dengan sokongan teknik kawalan tidak rasmi.

Kata kunci: Sistem pengurusan dan kawalan; hotel hijau, amalan pengurusan persekitaran; cita-cita hijau; hospitaliti

INTRODUCTION

The hospitality sector, being one of the largest global industries, has been under pressure to adopt better environmental management practices (EMPs) (Bohdanowicz 2005; Chung & Parker 2008). Besides the regulatory pressures for EMPS, travellers' increasing concerns about environmental conditions at their destinations and the demand by more affluent customers for green accommodation have further intensified the need for environmentally friendly practices in the industry (Chung & Parker 2008). In response, the industry has introduced green certification and various hotels have embarked on green practices, given that being efficient is not enough to ensure survival and legitimacy, as they need to conform to expected social norms and values. An internal system to support and internalise EMPS is vital. One characteristic of the system is that it should

influence or lead to change in human behaviour, given that the resolution of the environmental dilemma requires not only technological changes, but also changes in the employees' mindset and behaviours (Steg & Vlek 2009). Management control systems (MCSs), the organisational process, and procedures and policies put forth to ensure the achievement of the organisational objectives (Anthony, Dearden & Bedford 1992), can be used to internalise green practices and strategy (Arjaliès & Mundy 2013; Chung & Parker 2008; Lueg & Radlach 2016; Riccaboni & Leone 2010) as they have the potential to shape and motivate employees' behaviours towards environmental practices and enable their internalisation (Durden 2008; Songini & Pistoni 2012). The elements of formal control such as evaluation and reward systems and also informal social control facilitate the alignment of employees' behaviour with organisational objectives and strategies.

However, most sustainability research on social and environmental accounting examines issues relating to social reporting and disclosures (Abdalla & Siti-Nabiha 2015; Maas, Schaltegger & Crutzen 2016). As Adams (2004) argues, the underpinning of social disclosures is the improvement of corporate image. It is used as a tool to ensure legitimacy of organisations, and thus, better reporting alone does not translate into better accountability. Social reporting must be supported by internal processes to ensure the achievement of sustainability goals (Bebbington 2007). Even though a number of researchers have examined the institutional pressures to adopt sustainability practices and the role of MCS in that response, there is limited research addressing how MCS can be used for internalising green practices in the hospitality sector (Chung & Parker 2008). Thus, to address this research gap, this study explores the process of internalising green practices into management practices in the hospitality sector. The question addressed in this paper is: how are formal and informal control systems used to internalise green ideals? In this case, this refers to the green image of the case-study hotel. The answers to this question will provide an understanding of the use of MCS in ensuring sustainable business practices in the context of the hotel industry. A case study was undertaken of a hotel that advertises itself as a green hotel and has embraced its philosophy to steering its business. The data was collected through semi-structured interviews, document reviews, informal conversations and observations. The analytical framework of Dambrin, Lamber and Sponem (2007) is employed to understand the use and support of MCS in the internalisation of these green ideals into practice. The internalisation of the hotel's Environmental Management Practices (EMPs) started with the introduction of the ideal of becoming a green hotel, which was translated and communicated through the notion of a business case. The adaptation and integration of green practices have been internalised, mainly with the support of the hotel's informal control techniques

LITERATURE REVIEW

Management controls consists of formal and informal systems. Formal system control behaviour is enacted through written procedures and policies, while informal systems involve informal processes and practices, including shared values and corporate culture, which are not based on measurable objectives or explicit measures (Riccaboni & Leone 2010; Madu & Kuei 2012). The integration of social responsibility with the key management processes needs support from a management control system (Durdin 2008; Riccaboni & Leone 2010). MCS can be used to facilitate corporate social responsibility (CSR) strategies and it assists in transforming organisational practices, such as the determination of indicators for CSR and the renewal of strategies in the organisation (Arjaliès & Mundy 2013). Hence, MCS can align actors' behaviour to

organisational sustainability objectives through inculcating environmental consciousness, provision of information for decision making or linking reward and accountability to environmental performance (Sundin & Brown 2017).

Consequently, many researchers have examined the role of MCS in supporting sustainability (Guenther, Endrikat & Guenther 2016; Lueg & Radlach 2016; Maas et al. 2016). The issues investigated vary from how MCS ensures socially responsive decisions (Norris & O'Dwyer 2004); how it measures and monitors social responsibility (Durdin 2008); how sustainable strategies are embedded in the control system (Arjaliès & Mundy 2013; Riccaboni & Leone 2010); how the managers' perceptions of stakeholders influence their formulation of environmental performance indicators (Rodrigue, Magnan & Boulianne 2013) and the barriers and enablers to sustainability integration in the MCS (George et al. 2016).

One key insight gained from this research is the problematic nature of formulating sustainability measures due to the difficulty of translating the social objectives into indicators (Riccaboni & Leone 2010; Durdin 2008). The integration of sustainability into the MCS is problematic without the formulation of sustainability goals (Durdin 2008). Nevertheless, research has shown that formal and informal elements of MCS support the implementation of strategies that are enabled through the inclusion of sustainability principles in the organisational culture (Riccaboni & Leone 2010). In the absence of formal control, informal control, i.e., the employees' socialisation process and the hiring of employees who fit the organisational values and self-control (personal values), supports socially responsive decision making in organisations (Norris & O'Dwyer 2004). This also includes the top management engagement and communication which played a role in integration of sustainability into organisational culture (Lueg & Radlach 2016).

Research in other settings has found that sustainability practices are undertaken to ensure efficient operations by obtaining significant cost savings and better organised processes (Riccaboni & Leone 2010) or to obtain a competitive advantage and legitimacy, and to maintain organisational reputation (Arjaliès & Mundy 2013). Research in the hospitality sector also shows that one of the major reasons for hotels to engage in environmental practices is to ensure cost reduction (Forte 1994; Rondenelli & Vastag 1996) and to gain competitive advantage (Kirk 1998; Bohdanowicz 2005). Hence, implementation of EMPs is used as a tool for cost control as well as marketing.

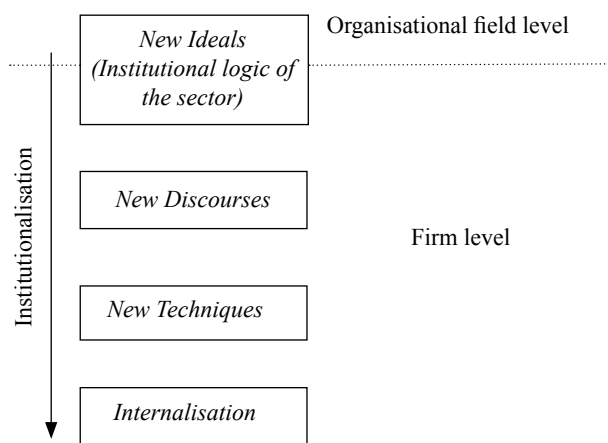
However, there is a lack of MCS research in the service sector that examines how MCS leads to the internalisation of EMP practices, especially in the hospitality setting. Previous research in this context mainly focuses on budgeting practices and performance management issues in terms of developing a measurement framework, or examining the implementation process (cf. Haris & Mongiello 2001; Haktanir & Harris 2005). For example, Chung and Parker (2008) focused on the budgetary and

performance measurement practices of an international hotel, with the aim of developing a new integrative framework to facilitate environmental strategy practice in the hotel industry.

Hence, this paper contributes to the literature in two ways. First, the study provides empirical evidence of how control systems are used to achieve the organisational vision. Second, as sustainability initiatives are dependent on the context, which then influences organisational behaviour, this study addresses the contextual gap in the literature on the internalisation of MCS in the hospitality sector; and it answers the call for more field-based research on sustainability (Chung & Parker 2008). Understanding how control systems support the internalisation of EMP will provide insights for other hotels on ensuring a more effective EMP.

THEORETICAL FRAMEWORK

Dambrin et al.’s (2007) framework, which is based on Hasselbladh and Kallinikos (2000), is used to understand the internalisation of green practices and the way that MCS supports such internalisation. The framework was chosen for its theoretical properties, which provide sequential events through which particular ideas (EMP) transform from conceptual ideas and become diffused, developed and implemented as a legitimate social contract, eventually becoming an acceptable behaviour in the organisation (Harun, van Peurseem & Eggleton 2012). As shown in Figure 1, four stages are said to take place and these allow us to obtain a complete picture of how the social actors (i.e., the hotel) established green practices, making them become accepted over time: (i) dissemination of new ideals; (ii) elaboration of new ideals into new discourses; (iii) development of specific management tools based on new ideals (new techniques); and (iv) implementation of specified techniques (internalisation) (Dambrin et al. 2007).



Source: Dambrin et al. (2007: 178)

FIGURE 1. The institutional process

Institutionalisation happens when there is coherence between the ideal, discourse and techniques of control. The ideal is the institutional logic and it develops into discourse when it explains the “elaborate systems of relationship and causal model”, thus, becoming “the ways of defining reality” (Dambrin et al. 2007). The control techniques “specify rather precisely the relationships which they seek to regulate” and are usually expressed in ‘numerical’ forms of “other forms of codifications’ (Dambrin et al. 2007: 6). Discourse is the key that binds together the ideals and the techniques of control and it is a form of written or oral codification that translates the ideals into the techniques of control (Hasselbladh & Kallinikos 2000). Understanding institutionalisation in organisations requires an analysis of the discourse and techniques of control, as this will show the mindsets (the cognitive means), the processes, procedures, social forms and interactions in which the “ideals” are developed into institutions, and becoming taken for granted by organisational members. Thus, institutionalisation and change require not only implementation but also internalisation.

Given that the green hotel concept is usually presented in the efficiency context, which means that environmentally practices will enhance both ecological and economic efficiency in organisation, it is anticipated that the new ideal of a green hotel will not conflict with the conventional hotel concept, but will be an add-on process. Hence, it is anticipated that the reasons for hotel EMP are to gain a competitive advantage as well as to save costs. Active adoption is when the practice is implemented and the managers view the efficacy of the practice and are committed to it, i.e., when there is alignment between implementation and internalisation (Dambrin et al. 2007).

METHODOLOGY

A case-study approach is used in this research since it enables in-depth contextual understanding of practice. Thus, this research is based on the evidence from a single case study, so comparison across different organisational contexts was not undertaken in the empirical work. Even though only one case was used for this research, it was considered sufficient, since it directly addresses how control systems are used in the realisation of green ideals. Using a single case study will overcome the threat of glossing over the uniqueness and complexity of the context (Stake 2000) and also of less contextual insights being communicated (Dyer & Wilkins 1991).

TR, a privately owned owner-managed hotel, was selected as the case site as it has received various local and international green awards; it promotes itself as a green resort and actively leverages on the green brand in its marketing campaigns. The hotel, initially a 3-star hotel, was established in the early 1990s and was taken over by a Malaysian businessman in the early 2000s. RM23 million was spent on acquiring and upgrading the resort, resulting

in it gaining a four-star rating. The resort has around 120 rooms and villa-styled accommodations and it is managed by 130 staff, including 11 management-level personnel.

The data collection covered a 3-year period in three phases: (i) April 2009, (ii) from July to August 2010 and (iii) follow-up interviews in June 2011. Semi-structured interviews with various organisational members were used since this method allows the researcher to understand the phenomenon from the perspectives of the people involved, giving a holistic idea about the subject of inquiry. Twenty-one informants from various organisational levels, from the owner and management to various operational employees, were interviewed. The broad range of people interviewed allowed for triangulation of the findings.

Interviews with operational employees were conducted to determine whether the practices were internalised. Several of the operational employees interviewed had been with the hotel for more than 15 years, hence they had worked at the hotel prior to it being taken over by the new owner. They were therefore able to explain the changes made at the hotel. Most of the interviews were conducted in one-to-one meeting and the interviews lasted between one and one and a half hour. Some were interviewed more than once, such as the owner, who played an instrumental role in changing the hotel to the green concept. The owner was interviewed three times in order to obtain an in-depth understanding. In total, twenty-three interviews were conducted.

The interviews were complemented with documentary reviews. These documents were organisational reports, press releases, minutes of meetings and informal records. Observations and site visits were made at the various environmental practices, the organic farms and the grey water treatment, among others, and informal conversations were held with the hotel staff in charge of these practices. In addition, conversations with other staff and hotel guests were also held to gather their views about the green image of the hotel and their acceptance of it.

The interviews were tape recorded and were then transcribed into a Word document. Pattern model was used in the analysis of the findings (Scapens 1990; Johnson 1996; Siti-Nabiha & Scapens 2005). The data and the theoretical framework provide the lens for the analysis of the findings and the evidence was triangulated from various sources: the interview data derived from the respondents from different organisational levels and functions, the documents, the observations and the informal conversations. The credibility of the findings was enhanced by triangulating the findings from multiple sources of evidence, from interview data to observations and documentary review, and interviewing a variety of sources across organisational and functional levels (Scapens 1990; Ryan, Scapens & Theobald 1992).

RESULTS

CONCEPTUALISING THE GREEN HOTEL BRAND

In contrast to other industries such as the oil sector, the hotel industry is not stringently environmentally regulated. Nevertheless, the hotel industry has faced pressures from numerous stakeholders to be environmentally sustainable. In response, various environmental certifications and initiatives have been advanced for the hospitality sector since the 1990s. Many hotels have started to integrate environmental management in their policies, mission and strategies, and have moved towards green hotel concepts (Chan & Ho 2006; Chung & Parker 2008). The Green Hotel Association was formed and they provide guidelines on how to obtain cost savings whilst at the same time reducing environmental impact.

When TR was taken over, the concepts of green hotels and green certification were on the rise. The ideal of a "green hotel" was brought in by the new owner, who had vast experience of operating a tour and travel agency and who was a member of various tourism associations. The owner was exposed to this green trend during his participation in travel conventions and associations. He upgraded the hotel and rebranded it as a green hotel. He seized the emerging trend and discourse on the green hotel concept, and the increasing customer demand for green accommodation.

There were no coercive or regulatory pressures during that time for the hotel to become environmentally friendly, nor were there pressures from civil society groups in the country. The force that changed the hotel's management systems was clearly derived from normative pressures, due in part to the interests and values of the new owner, and also from competitive isomorphic pressures due to the values and norms of the specific market segment, especially international travellers. The hotel is located on an island famous for tourism and has a high number of local and international tourists. The island offers many types of accommodation, but almost all of the hotels compete based on normal criteria (price and/or products) and almost none of them promote themselves as green hotels or use the green image as a product differentiation strategy.

The TR owner introduced green practices that he had learned from his involvement as an environmentalist, together with the knowledge he had acquired from other hotels and put into practice in this new venture. Instead of retaining the existing customer list and product line, the owner implemented new marketing ideas that changed the hotel management landscape. Green practices were intensively communicated to customers and wider stakeholder groups, earning the company reputational dividends from its green image and brand and subsequently the option to charge premium prices for its products.

To fix the ideal as the overarching guide for the hotel, the owner formulated it in the hotel's vision statement of becoming a high-end green resort. Thus, TR

rebranded itself as a hotel that espouses environmentally – sustainable practices, which act as the fundamental philosophy underpinning the overall hotel customer experience. During the early days, the guests were surveyed on whether they had chosen the hotel due to its green brand and their willingness to pay a premium for a green hotel. It was found that guests from the European market had chosen the hotel due to its green practices. In addition, the hotel sought to become a market leader in the green hotel industry and to gain both international and national awards to validate its reputation and reap dividends from this reputation.

THE DISCOURSE: SAVE ENVIRONMENT SAVE COSTS

The business case for sustainability, i.e., how businesses can advance their economic performance by ensuring social and ecological efficiency, has dominated the discourse of corporate sustainability, especially within the hospitality sector. The business case requires the link to be made between sustainability and financial performance (Epstein & Roy 2003). Similarly, the ideal of a “green hotel” is translated in this discourse: green is to save, saving the environment and reducing costs. This view is also reflected by the owner as he believes that the environmental activities should achieve the twin objectives of saving the environment and also reducing costs for the company. This is further reinforced by the owner’s view that all environmental practices will result in cost savings, even though he is unsure of the amount of savings to be gained:

“I know I will get savings from water conservation practices, but I did not know how much until we implement and start doing it...”

The discourse is well known and shared among the employees as it was repeatedly stressed first by the owner then by the heads of departments, thus providing greater opportunity for the ideal to develop in the organisation (Tolbert & Zucker 1996). Changes were made to the hotel policy, operational practices and physical structures. The owner created an environmental department responsible for explaining green hotel practices, thus ensuring that the discourse of ‘greening is saving’ was further disseminated throughout the organisation. The concept of a green hotel is translated through the 4Rs (Reduce, Reuse, Recycle and Rethink), guiding the employees’ daily practices. Environmental practices that resulted in cost savings were implemented with the focus on reducing the hotel’s operational costs. Greening is saving is not a revolutionary concept since it is still based on the efficiency concept of financial orientation, as one manager said:

Before I proceed (with EMP), I need to make sure that the ROI is there. This is a business, you have to look at dollars and cents also.

The belief of the owner was also preached by the heads of department to the staff. Consequently, the ‘green is saving’ concept became the new language throughout the organisation. The hotel’s employees accepted the ideal of being a green hotel with the discourse of being green is to save, both with regard to the environment and the financial costs. It is unclear whether cost savings are really the ultimate goal or whether they are just a method of measuring environmental progress and are at the same time a positive side effect. The objective of cost reduction is widely understood by the hotel’s staff. But from the interviews it also became apparent that actually there is a threefold system of objectives: protection of the environment, cost savings and creating a green brand image for the hotel, resulting in an overall positive image attracting customers and enabling the hotel to charge higher prices. The main focus of the hotel is on reducing energy usage, recycling waste and conserving water usage, but this must be measurable in order to control the results. Controlling the hotel’s green performance is crucial to achieving the monetary benefits, but this must not be misunderstood in the sense that cost saving is the only objective: Cost savings serve a dual purpose: Firstly, they result in the reduction of (unnecessary) costs and at the same time serve as the main justification for green measures, but secondly they act as a yardstick for measuring environmental performance and environmental progress, which are part of the formal control system used at the hotel to support the ideal of a green hotel.

CONTROL TECHNIQUES

Formal and informal control mechanisms were used to ensure that the ideal is achieved and to reinforce the discourse of ‘green is saving’.

Formal Control The environmental performance evaluation (EPE) method was used to evaluate and monitor the hotel’s green performance. The process involves collecting environmental information and measuring how effective is the hotel in managing its green performance. All the relevant data such as the energy and water usage are collected and recorded by the relevant department and submitted to the environmental department, which will then monitor and report the cost savings to the owner. All this information was stated in monetary forms to determine the savings obtained, further reinforcing the ‘green is saving’ discourse.

Monitoring and measuring savings obtained from the EMP are paramount as the information is also widely disseminated to the public through the website and communicated to visitors who go to the hotel to learn about its green practices. Consequently, only EMPs that are measurable are practised at the hotel, as the owner explained:

“Whatever can’t be calculated are not accepted...we want to show to people you do have saving...”

Budgetary control is also used to encourage green practices. For example, the kitchen department budget cannot surpass 34% of the total food and beverage budget. To ensure costs are within budget, the menu includes the hotel's own produce. Non-financial information such as customer feedback was used to measure guests' acceptance of the EMP. This information, including the EMP data and customer complaints, was included in the monthly reports, which acts a control tool to monitor the hotel's green performance. These control techniques assist the hotel in its cost-saving objectives and have contributed to the hotel receiving several green awards and consequently public global recognition.

The hotel did not have systematic environmental performance management as the objective of a green hotel is incorporated in its vision statement but not integrated into its strategic objectives; hence no environmental targets were set. Consequently, there is minimal linkage between departmental and staff appraisal, and environmental performance. An appropriate cost control was also not in place, which might be because management were unsure of the amount of savings that can be achieved from their EMP.

Nevertheless, the operational employees felt that EMP practices have also led to financial reward for them. The increase in the quality of the hotel and the marketing strategy utilising the "green brand" have attracted new eco-tourism customers, who are willing to pay higher prices, thus increasing hotel sales and its financial performance. Consequently, the hotel revised its salary scheme and started to give bonus payments to employees. This practice was perceived by the operational employees as a result of the EMP. This financial reward played a major role in motivating and retaining the hotel operational staff and ensuring the sustainability of the green practices. The green performance was motivated in several ways, such as the use of green awards for hotel employees who consistently followed the hotel's EMPs and punishment systems such as warning letters for those who did not follow the green practices.

Informal Control Creating and sustaining the logic (belief systems) and creating a green brand image require the support of a powerful actor who believes in the maintenance of these belief systems (Reay & Hinings 2009). In this case, the owner has become the powerful actor who continuously and persistently promotes various environmentally-based plans that challenge the conventional ways of managing the hotel. The EMP practices were brought in by the owner and he was involved in pushing for the concepts and discourse in the organisation. As the owner said:

"... the most difficult thing is to change mindset of the people. I have to push, to scream and do it continuously."

The owner also utilised the informal control mechanisms, through the employees' selection and socialisation process, to facilitate the internalisation of the green ideal. The owner is directly involved in the hiring

of managers and he hired those who are receptive to the organisational values. The employees' socialisation to the green ideal starts from the onset of the hiring process. The resort's core values, the 4Rs concepts are communicated during the interviews to the prospective employees. Once the employees were hired, programmes to embed the green concepts were put in place. Familiarisation with the EMP practices is a key part of the new staff orientation programme.

As the standard operating procedures are often lacking or inadequate, the managers depend on verbal instructions to communicate the EMP to operational employees. Thus, the managers have to do extra coaching, especially for new employees who lack the educational background or experience with the green hotel concepts. The environmental department provides training and environmental education every two weeks with basic assessment to determine employees' understanding of those issues. Green competition among the departments is encouraged to improve the staff's understanding of the hotel's green practices, and this has induced them to contribute their ideas in improving or enhancing the hotel's environmental performance.

INTERNALISATION OF EMP

The hotel's green practices have been implemented and exercised as day-to-day procedures and embedded in the working routines and practices. Together with the various socialisation processes and training this has resulted in the hotel's employees becoming familiar and comfortable with such practices, as explained by the head of the environmental department:

"...after 5 years of brainwashing they finally get the new ideas and they are picking up, but slowly."

Despite the lack of SOP and the high turnover of the heads of department, green practices still flourish at the hotel due to the dedication of the hotel's operational employees. The hotel management has succeeded in reducing the average energy consumption per room to 20% and decrease water consumption per room to 40%. Not only has the owner's ideal of a "green hotel" been championed from the informal controls, but the employees' "green" behaviours and attitudes have also been entrenched. Furthermore, the better salary scheme is seen by the employees as being due to the higher revenues caused by the hotel's green image, further driving their commitment to the practice. In this regard, the hotel and operational employees play a significant role in continuing the hotel's green policy.

DISCUSSION

The focus in this paper is to explain the use and role of management control in the realisation of green

ideals into management practice. Figure 2 shows the internationalisation process of the green ideals at the hotel. The green ideal is based on three objectives (environmental performance, cost savings and green image), but it had to be converted into reality by a coherent discourse and to be supported by formal and informal control systems. The green ideals are translated and communicated through the language of the business case for sustainability and competitive advantage and were intensively pushed by the owner in times of increasing green consumerism and a focus on business organisations in the sustainable development agenda.

The change towards green ideas can be considered as an evolutionary change as it is not widely different from the conventional mindset (Siti-Nabiha & Scapens 2005; Norris & O'Dwyer 2004; Arjaliès & Mundy 2013) of hotel management. Moreover, the "business case discourse" is a win-win situation for the resort (Porter & van der Linde 1995) and not a great departure from the conventional mindset, neither for the owner nor the management team. This, however, should not be seen negatively, since without a conventional business orientation and without working to at least cover the costs, the survival chances of a green hotel and the chances of spreading this concept to other hotels would be close to zero. Although strict environmentalists might wish this to be the case, the environmental objectives and the environmental control system cannot be an end in themselves, but rather a means to achieving environmental performance as well as avoiding doing harm to the business performance.

The EMP introduced by the owner could be classified as consisting mainly of 'low hanging fruits', those that can be quickly and easily implemented. It was only with the appointment of the head of the environmental department, with proper training and knowledge in EMP that the hotel started to evaluate its EMP and embark on more systematic and robust practices. The owner is the active actor behind the ideal of a green hotel. The management could not follow a rational, predetermined method in its environmental practices, but instead it followed a trial and error path. As described in Gigerenzer's bounded rationality concept, search, stopping and decision rules are used in sequential step-by-step models like, as he puts it, the "backwoods mechanics": "He will have to try one thing, and if it does not work, another one, and with step by step adjustments will produce serviceable solutions to almost any problem with just the things at hand" (Gigerenzer & Selten 2001). During the initial phase and in such an innovative and still unknown setting, this strategy appears to be more suitable than a more scientific approach, which would focus on a more rational assessment of the inputs and outputs of environmental techniques (Kok, Benders & Moll 2006). The initial mimicking of other green hotel EMPs has been developed and adapted to the local situation, and has allowed the hotel to obtain legitimacy and win national and international environmental awards. Consequently, the hotel has built up a brand as the leading green hotel in

the region. Hence, similar to other studies (cf Arjaliès & Mundy 2013), EMP is used to gain competitive advantage and cost savings.

Indeed, the elements of both formal and informal control, such as the owner's commitment and support, self-recognition and the reward and punishment systems, give the actors (employees) free space to position themselves in the owner's green philosophy. It appears that the new management systems can be internalised into the organisation's systems when the ideals (especially when the ideal is strongly conceptualised) and the discourse are sufficiently functioning as the main language, clearly translating the ideal together with the support from a variety of control techniques.

At the hotel, the formal control system, the EPE, budgetary control and informal control systems, i.e. the hiring and socialisation process together with the owner's commitment to green practices, have become an important control mechanism with which to internalise the green ideal among the employees. However, the study shows a more intensive use of informal control systems compared to formal control systems, similar to Durden's (2008) study. The use of formal control systems, especially the hotel's environmental performance, is lacking as (i) no environmental targets have been formulated and (ii) environmental performance evaluation is used to mainly determine the cost savings from these practices and to communicate these savings to external parties in order to validate the hotel's green brand and to gain competitive advantage.

Nevertheless, the internalisation of green ideals happens because first, the EMP techniques are mainly simple and secondly, because it is easier for the owner, who is managing a small organisation, to communicate his vision and ideals to the employees. Face-to-face forms of communication were used intensively by the owner, hence similar to other studies that show the role of top management in sustainability integration (Lueg & Radlach 2016). Resistance to change and to EMP is not overtly evident since the majority of the hotel's employees, especially at the medium and operational level, are crucial to the success of the EMP, and recognise and enjoy the financial benefits of being a green hotel. The high turnover of management staff and the lack of written procedures did not overtly affect the operational employees' routine EMP practices, due to the various socialisation processes that further solidified the employees' mindset around the values of green ideals and brand.

The lack of a formalised control system, to a certain extent, did not act as a barrier to the internalisation of the practices, as recruiting new staff with a better educational background has helped to reduce the resistance to change, supported by a socialisation process of green values and EMP for the employees. The success of the EMP practices rests mainly on operational employees, among others, ensuring the recycling of products and no wastage, which requires changes in ways of thinking.



FIGURE 2. The stages of internalisation of environmental management practices

This situation has been explained by Zucker (1987), who noted that actions and processes are often embedded in organisations when the staff's routines and roles are entrenched and have been in use for a long time. As this case demonstrates, the new routines (EMPs) have been introduced and practised by the staff in their daily activities. Eventually, these new routines (EMPs) are universally accepted and institutionalised by the actors (hotel's employees).

Internalisation is completed only if ideals, discourses, and techniques are coherent and there appears to still be a lack of coherence as far as the translation of the ideal into techniques is concerned. During the interviews the argument of cost savings appeared to be the central justification of the entire concept. At the same time, however, the argument was frequently mentioned that the hotel can charge higher prices not only because of a green brand image but also because of the higher cost of environmental practices. Both can indeed be true, since there are cost savings, for example for energy, recycling and reuse, as well as using self-grown vegetables, but on the other hand, many of the practices incorporated in the "4R's", as well as the hiring of higher qualified staff, will cause higher labour costs, and in the case of organic food from outside or fluorescent light bulbs, a higher input cost. It appears that the hotel has not yet developed an appropriate cost control system, in particular for these costs. Whereas the maintenance manager shows a business-minded approach when mentioning that feasibility studies are necessary to identify the costs as well as the benefits, the owner looks at the cost side in a rather emotional way when he says, "I never look up to the budget. As long as it is green I just do it". Maybe in the long run this discrepancy will be ironed out when

more complex measures requiring major investments are on the agenda.

The same problem also refers to the strong dependency of the internalisation of the green ideal on the owner of the hotel. Although management is working at SOP, and it appears that the green policy is fully accepted by the management, there is still high fluctuation in the management level. It could be argued that without the owner's strong leadership the green concept would soon be diluted and finally come to a standstill. This dependency on one person – as it is the case in many companies with a charismatic leader – will only weaken if the hotel can achieve a very strong and unique green branding and at the same time come to a stronger internalisation and formalisation of the existing, but still informal, green procedures.

MANAGERIAL IMPLICATION

The effective implementation of green practices requires a link between environmental strategies, management accounting and control (Chung & Parker 2008). The environmental performance evaluation is the key formal control mechanism used together with informal control, i.e., the employees' socialisation process and leadership commitment to green practices. A few improvements should be carried out to make the system more consistent and coherent. Firstly, consensus should be reached within the management that the main objective is not only cost savings, but also environmental improvement and green branding. Methods should be developed for measuring green improvements not only on the basis of cost, but also on a physical basis. This may reveal that

some of the green practices are not really so “green” if looked at in a holistic way, i.e. considering the up- and downstream consequences. Secondly, the owner’s trial and error system, which was certainly appropriate during the pioneering stage, should be replaced by a more scientific system of management and control. Such a system should consist of two elements. The first of these is a proper (financial) cost-benefit analysis of each of the environmental practices (as already suggested by one of the managers), based on a physical “input-output” environmental measurement system, quantifying all inputs as well as output-improvements. On the income side, the second element is the long-term potential for charging higher room prices. Apart from material inputs, consideration should be given to the additional labour necessary for the recycling and reusing techniques, in order to paint a full picture of the real physical and financial costs and savings. This would also enable management to draw up a priority list of environmental practices and to identify areas of cost savings as well as areas of cost increases caused by environmental practices. Finally, the green policy should be anchored in a sustainable manner, making it independent from the owner. This requires looking carefully into the reasons behind the still high fluctuations in management, and searching for ways to retain successful and dedicated leaders, in order to achieve such independence. This would also enable the hotel to transfer the concept to other hotels.

CONCLUSION

This case study has enabled the establishment of various findings on how management controls systems are used to support the internalisation of an organisation’s environmental management practices. The case-study hotel has clearly established and communicated its ideal of becoming a “green hotel” through the support and drive of the owner of the hotel. Then, the hotel discourse was derived from the three co-existing logic or belief systems – environmental concerns, cost savings and developing a green brand. These three have become the adopted language in the hotel, disseminating and communicating its green concept. In unison, the hotel’s control techniques (environmental management evaluation, (EPE), non-financial indicators, and reward/punishment, training and socialisation processes), inspired by the rewards of lowering costs and enhancing profitability, were becoming widely accepted. Dambrin et al.’s (2007) model utilised in the study has the potential to illuminate the flow of the institutionalisation processes of new ideas that occur in other organisations. This study has shown how the model can be applied to uncover the interplay between institutions and actors at the organisational level. Moreover, this study revealed how the model can be used both to identify the actors involved in the internalisation of new ideas and to explain the behaviours of actors with regard to legitimising ideas by applying systematic communication activities

(discourse) and managerial techniques. This paper has also provided evidence for the role of management control systems, specifically informal control systems, in internalising and ensuring the effective implementation of green practices. However, it has also discovered deficits in the long-term application of such a control system as far as an appropriate formal and person-independent institutionalisation is concerned. Overcoming such deficits is crucial if the “green hotel concept” is to be replicated in other hotels in this region.

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