Sailing Towards Sustainability:
A Strategic Report for Royal Caribbean

Angelika Jasnos- 2308967
Lecturer- Robyn Griffiths

Word Count: 1947

Executive Summary

In evaluating change management theory through models like ADKAR, Lewin's, and Adams, Hayes, and Hopson's change curve, it becomes evident that each offers unique insights into navigating organizational change. While ADKAR emphasizes individual transitions (Boca,2013) and Lewin's provides a structured approach to managing change (Sarayreh, Khudair and Barakat, 2013), Adams, Hayes, and Hopson's model aids in understanding the emotional phases individuals undergo during change. Integrating these models can offer a comprehensive framework for managing organizational change effectively, addressing both individual transitions and broader organizational context, ultimately guiding leaders in supporting their teams through the change process.

In understanding organizational culture through models like Schein's and Handy's, Royal Caribbean gains insights into the shared values and beliefs guiding its operations. By aligning cultural norms with sustainability goals and emphasizing innovation and efficiency, the company can embed sustainability into its organizational culture, foster leadership commitment to sustainable practices, and provide training to employees, thereby enabling the achievement of desired outcomes.

By prioritizing environmental sustainability through initiatives like the Save the Waves program and committing to net zero greenhouse gas emissions, Royal Caribbean demonstrates ethical responsibility towards the environment. Moreover, their focus on social responsibility, including community engagement and responsible sourcing, showcases their commitment to ethical business practices. Integrating these considerations into business strategies ensures sustainable operations and positive impacts on local communities and ecosystems.

Introduction

Royal Caribbean operates in a dynamic and competitive industry where success is not solely determined by operational efficiency but also by its ability to embrace diversity and prioritize employee well-being. As a leader in the cruise industry, Royal Caribbean faces unique challenges in fostering a diverse and inclusive workplace while ensuring the well-being of its employees. This strategic report aims to analyse the challenges faced by Royal Caribbean in these areas and propose strategic solutions to address them.

In addressing these challenges, various models and frameworks from change management theory and organizational culture studies have been employed to provide a comprehensive understanding of the issues at hand and to propose effective solutions. Models such as ADKAR, Lewin's, and Schein and Handy have been utilized to analyse the nuances of organizational change, cultural dynamics, and process enablers within Royal Caribbean.

By leveraging insights from these academic models, this strategic report seeks to offer practical recommendations that align with Royal Caribbean's mission, values, and

sustainability goals. It aims to provide actionable strategies that not only address the immediate challenges faced by the organization but also pave the way for long-term success in fostering diversity, prioritizing employee well-being, and sustaining ethical business practices. Through a holistic approach that integrates academic theories with practical applications, Royal Caribbean can navigate the complexities of its industry while fostering a culture of inclusivity, innovation, and sustainability.

Main Body

Change management

Change management is crucial for implementing initiatives such as enhancing diversity and prioritizing well-being within organisation like Royal Caribbean (Cox,1994). Let's evaluate change management theory using some of the models.

The ADKAR model developed by Prosci, emphasis individual change within organisations. It stands for awareness of the change, desire to make a change happen, knowledge about how to do it, ability to implement the knowledge effectively, and reinforcement to sustain the change over time. Each step in the ADKAR model represents a necessary condition for successful change. This model recognizes that organizational change can happen only when individuals change (Boca,2013).

Another model created by Lewin's in 1947 provides structured and practical approach to managing change in any organization. He stated that there are three steps approach: unfreeze, change, and refreeze. Unfreeze stage acknowledges the need for change and prepares to let go of existing practises. Change phase is where the transition occurs. New processes and behaviours are introduced. Communication and support play a huge role in ensuring of a smooth transition. While refreeze stage is when the change is implemented, and the organisation stabilizes. This stage involves ensuring that changes become a new norm. (Sarayreh, Khudair and Barakat, 2013).

Both models shown can be applied in context of management change. However, ADKAR model primary focuses on individual change, not organizational aspect and it lacks the boarder organizational context. While Lewin's model is easy to understand and apply. Some found it even too simplistic for complex organizational change. It considers the emotional and psychological aspects of change. It is useful for initiating change and creating awareness. As Lewin's model provide broad perspective while ADKAR zooms in on individual transitions combining both models in large scale organizational change can be more effective (Schreiber, 2023).

Adams, Hayes, and Hopson's change curve (1976) can help managers and leaders understand which phase they are in during the change. When using this model, they can better support their teams and guide them through the process. The model identifies seven phases that people usually experience during a transition (Appendix. A). We can see that at the beginning people are in shock and disbelief in a change. Management should be ready for this when decide making changes.

Cultural and process enablers

Organisational culture is made up of shared values, beliefs, and rules how people should behave. It also includes assumptions how work should be done (decisions and activities). For leaders and managers, it is essential to know organisational culture as they will better understand and implement strategies (Chartered Managers Institute, 2015).

Edgars Schein model of organizational culture is a framework used to understand the underlying dynamics of organizational culture. Schein defines organizational culture as 'a pattern of shared basic assumptions that the group learned as it solved its problems of external and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems' (Schein, 2016).

This model consists of three levels of organisational culture:

- Artifacts- visible and feelable phenomena (tangible elements of culture, processes, symbols, and behaviours) (Schein,2016).

  Examples of artifacts at Royal Caribbean can include the design of the ships, its uniform policies or even layout of its facilities.

- Espoused believes and values- ideas, goals, philosophy, and norm of the organization (Schein,2016).

  At RCG professed believes and values might include a commitment to customer satisfaction, safety, innovation, and environmental sustainability, as expressed in its mission statements. (RCG, 2024)

- Basic underlying assumptions- unconscious and taken for granted beliefs and values (Schein,2016).

  For example, at Royal Caribbean, basic assumption might include beliefs about the importance of delivering exceptional guest experiences or primacy of safety in all aspects of its operations.

Another model which relates to organisational culture is developed by Charles Handy- Handy model (1980). Its structure based on four distinct types:

- Power culture- power is centralized within the organisation, often in the hands of a few key individuals or dominant leader.
- Role culture- is characterized by bureaucracy and specialization. Organizations with this culture emphasize clear roles, job descriptions and well-defined processes.
- Task culture- revolves around project teams and task-oriented collaboration. The task-oriented cultures encourage creativity.
- Person culture- individuals prioritize their own interests over organizational goals. Each person operates independently. (King and Lawley, 2022)

Based on the discussion on organisational models we can see that organizational culture and well-designed processes are critical enablers for achieving desired outcomes. By understanding these models, the company can assess its current culture and processes and identify areas for improvement.

Royal Caribbean company emphasizes innovation, efficiency, and sustainability. RCG can cultivate an innovating culture by encouraging creativity, risk-taking, and continuous improvement among its employees. This can be achieved through for example implementing channels for employees to submit innovating ideas, suggestions, and feedback. Another way is by creating opportunities for employees from different departments to collaborate on innovation projects, fostering diverse perspectives. (Amabile, Conti, Coon, Lazenby, and Herron, 1996)

Sustainability is a core value for Royal Caribbean, and integrating sustainable practises into its culture and processes is essential for minimizing environmental impact. Providing training and educational programs to employees to raise awareness about sustainability issues and empower them to adapt sustainable practises in their daily operations. (Gadenne, Kennedy, McKeiver, 2008)

The following can be aligned with company's sustainable goals:

- embed sustainability into the organizational culture
- leaders must model sustainable behaviours and communicate their importance
- train employees on sustainable practises.

<u>Ethical considerations</u>

- Environmental sustainability

RCG has a company-wide philosophy called the Save the Waves program. Program that focuses on protecting the ecology of the oceans, both in port and at the sea. As Jamie Sweeting (Vice president, environmental stewardship) stated it is in their culture and its in their blood to care about the environmental (Royal Caribbean Press Centre, 2024).

Royal Caribbean aims to achieve net zero greenhouse gas emissions by 2050. This goal involves reducing their carbon footprint and delivering net-zero capable ship by 2035 (Liberty, 2024) By aligning their actions with this commitment, they demonstrate ethical responsibility towards the environment. Treating wastewater with high standards is another ethical obligation. It minimizes marine pollution and protects ocean ecosystem (Liberty, 2024).

- Social responsibility

RCG should actively engage with local communities in the regions they visit. This includes supporting local economies, respecting cultural heritage, and minimizing negative impacts on natural habitats.

Mentioned things can be integrated into business strategies. Involves stakeholders for example employees, guests, local communities in decision-making can shape ethical strategies. Collaborating with suppliers with ethical values ensure responsible sourcing and eco-friendly materials. Also, ethical marketing can help. As they can educate guests about responsible behaviour during cruises.

Incorporating these ethical considerations into business strategies ensures that they operate sustainably, respects communities, and safeguards the environment.

Conclusion

Sustainability of the organization is not only about sustainability of the environmental but also about positive management practises that foster a strong organisational culture. A positive culture aligns employees' actions with the company's mission and values. A strong culture fosters employee engagement, commitment, and motivation.

Through these concerned efforts Royal Caribbean can sustain its position as a leader in the cruise industry, driving positive impact both internally and externally.

Recommendations

To address diversity and wellbeing at Royal Caribbean, some changes need to be implemented, deeply ingrained in the company's culture and operations. One of the steps is fostering a culture that values diversity and prioritizes the wellbeing of all employees. This includes instilling a sense of belonging and inclusion at all levels of the organization. This cultural shift requires ongoing education, training, and open communication to challenge biases and promote understanding.

One of the steps to achieve diversity and wellbeing is diverse representation. Company should prioritize diversifying its workforce at all levels, including leadership positions. This means actively recruiting from diverse backgrounds and ensure equal opportunities for advancement and promotion. Having a diverse leadership team can bring different perspective and lead to more inclusive decision-making process. (APA, 2024)

Reviewing and updating existing policies and practices to ensure they are inclusive and supportive of diversity and wellbeing is essential. Including policies related to recruitment, promotion, benefits and accommodation for employees with different needs and backgrounds.

Training and development related to wellbeing for employees can help raise awareness, challenge biases, and foster empathy and understanding. Also, it is important to provide training for managers on how to effectively support diverse teams and promote employee wellbeing. (British Council,2023)

Another step to achieve the goal is to engage with external communities and organisations focused on diversity. It can provide valuable insights and partnerships. This can include sponsoring events or participating in industry-wide initiatives.

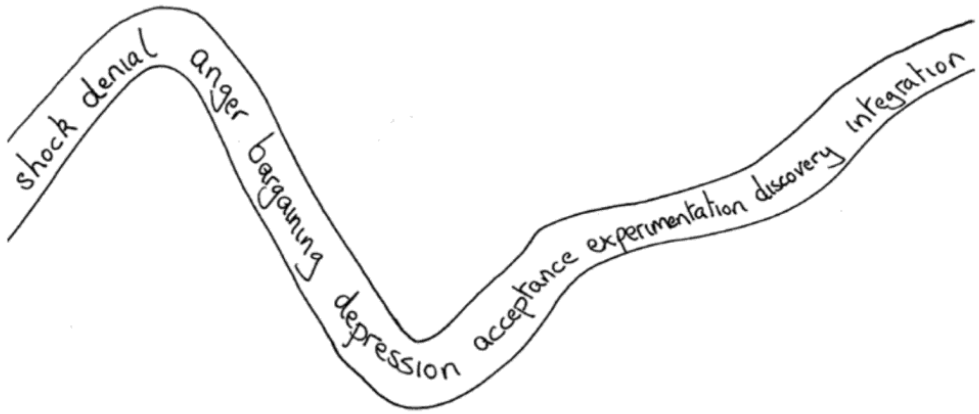
Radical solutions:

- Implementing targets for diversity representation in leadership positions
- Introducing innovative wellness programs and benefits tailored to the diverse needs of employees
- Incorporating diversity and wellbeing considerations into performance evaluations and incentive structures for leaders and managers.

The potential impact of these solutions is significant, including employee morale, enhanced creativity, and a strengthened employee brand.

Appendix. A

Figure 1.7 Adams, Hayes and Hopson's (1976) change curve



References:

- Achilles, A.A. and Stanley G.H. (2009) 'Reflections: our journey in organisational change research and practise' *Journal of Change Management,* p. 127-142, issue 2. Available at: https://www.tandfonline.com/doi/full/10.1080/14697010902879079 (Accessed on: 25.04.2024)
- Adams, J. Hayes, J. Hopson, B. (1977) *Transition,* United States
- Amabile, T.M. Conti, R. Coon, H. Lazenby, J. and Herron, M. (1996) 'Assessing the work environment for creativity' *The Academy of Management Journal,* Vol.39, No.5 pp. 1154-1184. Available at: https://www.jstor.org/stable/256995 (Accessed on: 06.05.2024)
- American Psychological Association (2024) *Representation Matters: Diversity and its impact on leadership.* Available at: https://www.apa.org/topics/equity-diversity-inclusion/representation-matters-diverse-leadership (Accessed on: 02.05.2024)
- Boca, G. D. (2013) 'ADKAR model vs. quality management change' Available at: https://www.researchgate.net/profile/Boca-Gratiela/publication/266310181_ADKAR_Model_vs_Quality_Management_Change/links/542c09a80cf27e39fa920e63/ADKAR-Model-vs-Quality-Management-Change.pdf (Accessed on: 18.04.2024)
- British Council (2023) *How L&D can positively impact workplace well-being.* Available at: https://corporate.britishcouncil.org/insights/how-ld-can-positively-impact-workplace-well-being *(*Accessed on: 02.05.2024)
- Cameron, E. and Green, M. (2020) *Making sense of change management,* 5th edition, Kogan Page.
- Cox, T. Jr. (1994) *Cultural Diversity in organizational. Theory, research and practise.* Berrett-Koehler Publishers.

- Chartered Management Institute (2015) 'Understanding organisational culture' Available at: https://www.managers.org.uk/~/media/Files/PDF/Checklists/CHK-232-Understanding-organisational-culture.pdf (Accessed on: 23.04.2024)
- Gadenne, D.L. Kennedy, J. and McKeiver, C. (2008) 'An Empirical study of environmental awareness and practises in SMEs' *Journal of Business Ethics,* Vol.84, p. 45-63. Available at: https://link.springer.com/article/10.1007/s10551-008-9672-9 (Accessed on: 15.04.2024)
- Hubers, A. (2022) *Who is Royal Caribbean Group's new CEO Jason Liberty.* Available at: https://www.royalcaribbeanblog.com/2022/01/18/who-royal-caribbean-groups-new-ceo-jason-liberty (Accessed on: 18.04.2024)
- King and Lawley (2022) *Organizational Behaviour,* 4th Edition, Oxford
- Libert, J. (2024) 'RCG Environmental Policy'. Available at: https://www.royalcaribbeangroup.com/wp-content/uploads/2024/04/Royal_Caribbean_Group_Environmental_Policy.pdf (Accessed on: 28.04.2024)
- Sarayreh, B.H. Khudair, H. Barakat, E. (2013) 'Comparative study: The Kurt Lewin of change management' *International Journal of Computer and Information Technology, Vol. 02, Issue 04*. Available at: https://citeseerx.ist.psu.edu/document?repid=rep1&type=pdf&doi=474180cdf55c4ed51818005fd484c6e8d64b88e3 (Accessed on: 23.04.2024)
- Schreiber, C. (2023) 'Change management models: Lewin, Kotter, ADKAR compared'. Available at: https://ideas.sideways6.com/article/change-management-models-compared-lewin-kotter-adkar (Accessed on: 23.04.2024)
- RCG (2024) *Sea the future* Available at: https://www.royalcaribbeangroup.com/sustainability/#:~:text=At%20Royal%20Caribbean%20Group%2C%20our%20mission%20is%20to,sustaining%20the%20planet%2C%20energizing%20communities%2C%20and%20accelerating%20innovation. (Accessed on: 28.04.2024)
- Schein, E.H. and Schein, P.A. (2016) *Organizational Culture and Leadership,* 5th Edition, New Jersey
- Schaltegger, S. and Wagner, M. (2011) Sustainable entrepreneurship and sustainability innovation: categories and interactions. Available at: https://onlinelibrary.wiley.com/doi/abs/10.1002/bse.682 (Accessed on: 20.04.2024)
- Royal Caribbean Press Centre (2024) *Save the Waves: Committed to preserving our oceans.* Available at: https://www.royalcaribbeanpresscenter.com/video/188/save-the-waves-committed-to-preserving-our-oceans/ (Accessed on: 28.04.2024)
- Wright, T.A. and Cropanzano, R. (2000) 'Psychological well-being and job satisfaction as predictors of job performance' *Journal of Occupational Health Psychology,* p. 84-94. Available at: https://psycnet.apa.org/doiLanding?doi=10.1037%2F1076-8998.5.1.84 (Accessed on: 18.04.2024)