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The REASON WHY PUBLIC SERVICES LAG BEHIND THE PRIVATE SECTOR IN TERMS OF SUSTAINABLE DEVELOPMENT (SD): AN EXPLORATORY RESEARCH CONDUCTED IN THE SWISS SERVICE ECONOMY

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Without even the present restrictive laws imposed on companies to promote sustainable development, consumers are now aware of the impact they can have on the behavior of companies. What is quite paradoxical, in terms of regulations, public organizations are generally more inclined to adopt laws on sustainable development through the law makers, but do not take advantage of public pressure to better contribute to sustainable development. As part of this research, we conducted a qualitative survey based on 65 semi-structured interviews with assets, about a third of whom work in the public sector, to find out their attitudes and behavior of their organization in relation to sustainable development. Our survey confirms that the awareness of the role that each employee can play within their company is there and that it is important to act, but that the actual action is not yet being taken. This ongoing research will then compare the profiles of private and public sector employees to see why the public sector seems to be lagging behind.

1. Context and literature

It appears that people have gained real influence over the SD behavior of private sector companies. There is a real awareness, and it's new. Therefore, in the future, companies will have to demonstrate good SD behavior and not just communicate about it. This is confirmed by recent literature (e.g. Moravcikova, 2017). The objective of this research is twofold, why public services are lagging behind the private sector in terms of sustainable development and how they could be transformed to bridge this gap. In this short paper we present the first raw results of the field survey. The research is still on going, we still have to finalise the discussion and development of research propositions.

In past decades, public services have been pressured to do more with less in order to cope with tighter budgets and scarcer financial resources. New Public Management (NPM) has attempted to address these challenges with initial successes, which have very quickly dried up, giving way to growing dissatisfaction among citizens. According to Osborne et al (2016), NPM theory is flawed in theory and does not work in practice because it undermines Public Service Organizations (PSOs) by supporting a short-term view and a transactional approach. Moreover, it has led to the development of services driven by internal efficiency measures with the objective of satisfying internal customers. Instead, these authors suggest adopting a relational and public service-dominant approach that focuses on three elements (1) building relationships across the public service delivery system (2) understanding that sustainability derives from the transformation of user knowledge and professional understanding of the public service delivery process, and (3) being predicated upon the inalienable co-production of public services with service users. This new approach is obviously inspired by the work of Lusch and Vargo (2006).

Indeed, public services generally fit into the pure logic of service management and its IHIP paradigm. They are intangible, have simultaneous consumption and production, are often co-produced by civil servants and users, and do not involve any transfer of ownership. In this logic, it seems consistent to address the issue of the creation of perceived value for the public. Some authors therefore call for the creation of sustainable public value for local communities (Radnor and Osborne 2013; Vidal 2013). This is in line with the call of the United Nations (2016, p. 49) (quoted by Grigorescu et al, 2019)) for the promotion of innovation in public administration by "fostering efficient, effective, sustainable and people-centric services. It also means enabling cooperation, partnership and participation, which fuels economic growth and sustainable choices".

Global sustainability has been defined as the ability to "meet the needs of the present without compromising the ability of future generations to meet their needs." (World Commission on Environment and Development, 1987). A sustainable enterprise, therefore, is one that contributes to sustainable development by delivering simultaneously economic, social, and environmental benefits. (Elkington, 1994).

In order to combine today's challenges while taking a sustainable perspective on tomorrow's issues, Hart et al. (2003) propose a model highlighting 4 drivers for the implementation of sustainable management (see Figure 1): (1) reduction of resource consumption and pollution associated with excessive and poorly managed industrialization (2) increase in added value through a higher level of transparency and responsiveness in connection with civil society (3) development of new technological solutions that contribute to reduce the ecological footprint (4) inclusion of the poorest in the creation and distribution of the wealth produced. Public companies can use this framework to create higher stakeholder value, in this case sustainable public value.

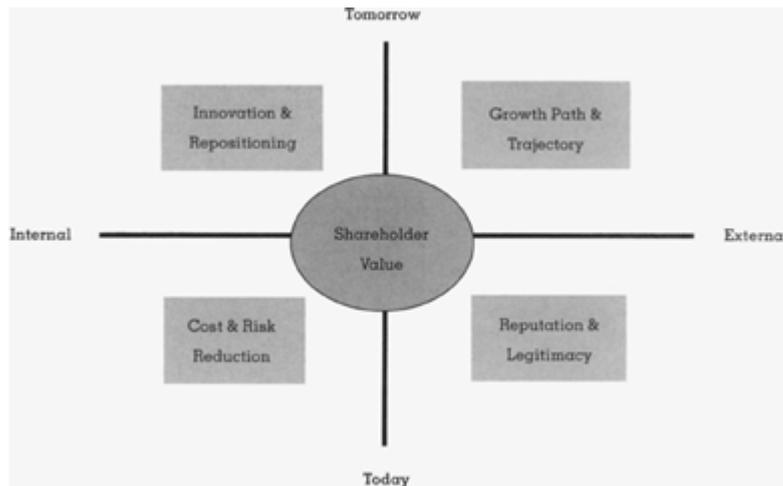


Figure 1. Implementation drivers of sustainable management (Hart, 2003)

Public authorities at all levels (national, regional and local) are called upon to play a leading role. Indeed, the research of Kishimoto et al (2017) identifies 835 examples of re(municipalization) of public services since 2000, involving more than 1,600 municipalities in 45 countries. The results show that these initiatives can be considered as successful as they reduce costs and tariffs, they improve labor conditions and boost the quality of service, while displaying a higher level of transparency and accountability.

2. Methodology

This research is based on a qualitative survey. In November 2019, we conducted 65 semi-directive interviews in the French-speaking region of Switzerland. The profiles chosen corresponded to people working in the different service sectors (banking, insurance, healthcare, education, etc.) and to different professional statuses (employees, managers, etc.). All interview transcripts were then analysed using Nvivo software to synthesize the results.

After a small warm-up to introduce the topic (“If I say ‘sustainable development’, what does it recall to you, what comes first to your mind? Is it a topic you often talk or hear about?”), the following questions were used as a basis for the interview.

- What do you think should be the top priorities for sustainable development?
- How do you see things evolve in terms of sustainable development? If you could see in a crystal ball, what would you see at 5-10-20 years?
- Do you think that sustainable development is more the business of politics, businesses or citizens?
- Do you think sustainable development is more of a local initiative or global?
- Do you think that the digitization of our economy (access internet, mobile) is a good thing for sustainable development and the climate?

- If I gave you Aladdin's lamp and a genie offered you to make 3 wishes in terms of sustainable development, what would they be?

In terms of sociodemographic characteristics, the sample consists of 56% of men and 44% of women and the distribution among age classes is as follows: 18-24yrs 6%, 25-34 years 35%, 35-44 years 33%, 45-54 years 15%, 55+ years 11%. About 30% of the persons interviewed are active in the public sector (vs 70% in the private sector) and 10% are self-employed. Lines of business include public administration, international organisation, health, education, transportation, construction, fast moving consumer goods, banking, insurance, wealth management, real estate, automotive, watch-making, pharmaceutical industry, retail, trade, energy and construction. Vast majority of respondents are white collars (90%).

3. Synthesis of results

3.1 Convinced but not easy to take action

When people are asked to share first intention thoughts about the theme of 'Sustainable Development', environment related topics are always coming first. Most frequently words quoted are: environment, climate change, global warming, waste/management of waste, 'fossil based' energy, natural/alternative energy resources, plastic and overconsumption. Although this could have been expected, the very low occurrence of appearance of topics related to the social and economic aspects of SD is a more appealing result. Actually, those were quoted only when the profession of the person interviewed was in direct relation with SD, by the nature of the job itself or through the engagement of his employer in the area.

Besides all comments related to purely environmental items (energy, pollution, etc.), one comment that very frequently came across was the need to change each other (own) individual's behaviour. Respondents are aware that they need to change their habits both in terms of consumption as in terms of waste. Where they seem to be committed to adapt or rather keep improving their behaviour in terms of management of waste (they feel to know what to do and to be 'supported and guided' in this area), the story is quite different when they have to tell what else to change actually in their daily behaviour. On the one side, they feel lost about the real net impact of any action and what would make sense to change first and to what extent (often quoting the lack of information of the environmental impact of specific behaviours and actions). Their question is: what is really worth doing? On the other side, they also wonder about the usefulness of their individual actions if no more structural actions are taken at a higher (say national or global) level Does it make sense to change our own behaviour if others, and especially industries and/or countries are doing the same? ("I have the feeling that my own small actions are annihilated by the immobilism of politicians of large multinationals....", Male, 55+, employed in energy sector).

This might explain why the vast majority of respondents expressed the critical need to change individual behaviours ... although this clearly remains at the level of intention rather than actual behavioural change. They all say that everyone has to change

his own behaviour ... but, surprisingly enough, none of them shares evidence that they actually do it (to the exception of very small and simple daily actions) or even that they are willing to do it. This is particularly true when they talk about consumption. Changing consumption behaviour is often flagged as a must.... But no concrete example is shared about this and how they want to put this in practice.

3.2 Awareness that my role as a consumer also has an impact on organizations

Related to the need to adapt consumption behaviour, many respondents also highlighted that the permanent pursuit of short-term profit and its relying economic model as a major hurdle to change individuals' behaviour. It is very hard to consume less or consume in a more responsible way if one is constantly invited/induced to consume more and more easily. Hence, many respondents clearly stated the need of a profound change of economic model, less centred to short-term profit but more focusing on social and economic responsibility.

In this frame, the active and critical role of industries and companies was very often quoted. Many respondents feel that large companies are using SD as a marketing tool. SD has become a way to communicate, improve its image against public opinion and ultimately try and achieve to sell more at the end. Many respondents clearly stated that they are not fooled about the real intentions of these companies ("Multinationals are misusing the trend of SD and will keep doing it as long as they feel it can help them increasing their short term growth", Man, 35-44, Manager in retail. "Large Companies are not only buying complacency, they understood that communicating about their efforts to save the planet is a powerful marketing tool. Look at the airline companies who communicate about trees that they plant to compensate the impact on CO² emission", Man, 35-44, Health sector).

However, there is a large consensus among respondents that they have never had that much influence and power to get and force companies to change. Leveraging the social networks, mobilizing citizens' power and energy can become a very effective tool to get companies behaving in a more exemplary manner and start not only to communicate but actually behave in terms of sustainable development rather than short term profit ("With a few tweets and without any filter from politicians or economic lobbies, you can raise public awareness at large scale and make things move", Woman, 35-44, teacher in public sector). Although, this 'power' might not be effective enough without an adequate and well defined legal framework. This is also a clear expectation from respondents. They really and massively expect public authorities to provide a legal framework (being penalizing, regulator or incentive) to guide companies in the frame of SD policies.

This expectation is also very expressly referenced when respondents are asked about whom should take the lead with respect to SD: public, companies or individuals? They are very clear over this question: public authorities must take the lead and provide the right framework to industries/companies to integrate SD into their daily behaviours ("Politicians need to set rules and penalties to regulate bad behaviours but also need to incentivize proper behaviours and initiatives supporting SD", Man, 45-54, Watchmaking industry and Woman, 25-34, Health sector). Although, this will only become possible if they do not (or stop to) think about their own short-term interest and re-election but rather about the long-term public interest. ("Politicians tend to plan actions or take decisions in order to increase their chance of re-election rather

than with a Long Term view. This has to change!” Man, 35-44, Manager in pharmaceutical industry). And, this expectation does not limit to control industries/companies but also ensure international environmental coordination and management through country level regulations (“It does not make sense to plant few trees in Switzerland if, at the same time, one lets the forest burn in Brazil”, Woman, 55+, Insurance).

Having said this, respondents are almost unanimous that SD is everyone’s business, that individuals also have a critical role to play from their side and that they have to start changing their own individual behaviour a well, notable to challenge the way they (over-)consume. In this case also, they expect public authorities to define the right framework and help citizen’s to adapt behaviours in line with SD imperatives (through regulation and/or incentive policies).

3.3 Organizations’ commitment to sustainable development via digitalization

To our opinion, the major learning coming out of this survey is related to the risk industries and (especially large) companies are facing if they cannot integrate SD in a clear and convincing way into their management policies. They do not only face the risk of seeing their services/products being boycotted by consumers/public opinion (“SD can be a true means of pressure against companies and industries. Soon, we will buy only sustainable brands or from manufacturers committed to SD”, Woman 35-44, public sector) But also to be cast aside as potential employers (“Soon, people will refuse to work for companies that are not clearly engaged into SD”, Man, 18-34, automotive industry).

This idea came also clearly out of the answers related to the impact (positive or negative ecological balance) of the digitization of the economy. The benefits of digitization were almost unanimously recognized (most quoted benefits were the improved access to and sharing of information, the reduction of paper waste and the increased easiness of shopping). Although, a significant portion of respondents acknowledged that they never asked themselves about this question, a large majority said that they were not fooled and aware of the carbon footprint left by the use of web servers. They simply stated that they had clue about the final balance and were hoping and expecting public authorities to communicate more and more openly about this.

One of the highlighted benefits of the digitization of the economy, the increased easiness of shopping and offer extension through online services, was also systematically pointed out as a dangerous perverse effect as this leads to overconsumption. Here again, industries/companies are singled out for their frantic scramble for immediate profits and respondents are calling for more socially responsible behaviours. The same is expected from individuals who need to control their consumption. In this frame, respondents expect here also public authorities to facilitate this process and oblige industries/companies to not only adapt their production process but also to communicate more openly about the ecological footprint of their services/products (“Change has to be driven from everyone but I think that there will be a lot of resistance from industries because of the economic interests that prevail.... Politicians needs to force them to communicate more about their products and push them to act with SD in mind and not only short term profits... as they did for instance to force the replacement of filament light bulbs, Man, 25-34, public sector). As already stated earlier, whereas respondents are clear about the necessity to adapt their behaviour and stop the overconsumption process, they never related this with concrete personal actions or plans. This sounds more as an intention than a concrete decision (“People

should be involved in real life as much as they are on social networks! They are able to sign petitions, share pictures of environmental disasters ... but seem unable to engage in concrete actions", Man, 35-44, Banking)

3.4 Sustainable development at the heart of organisations' vision and mission

Last but not least, demography was often quoted but mostly at the end of the interviews when respondents were asked if they felt that the SD matter was properly reviewed. Many respondents also highlighted the need to regulate demography at the global level and in line with the planet resources.

The general feeling is that that SD practices and mainly environmental practices are improving over time due to public pressure and that individuals/citizens should keep using their growing power to get public authorities but also industries/companies to integrate SD concern into their business plan. Many people still fear that SD could be a simple fashion phenomenon ("I still wonder if SD is approached as a real problem rather than as an ephemeral fashion phenomenon, Man, 35-44, Public health sector) and a marketing tool ... but they are now getting aware that they can make a difference, not only by changing their individual behaviour but also by exerting pressure on public authorities and industries/companies (through conscious and coordinated actions impacting consumption at a large scale). This message is clear and companies who want to be sustainably successful might better integrate this into their long term business plans and strategies ("Successful companies in the Long Term will be those who effectively integrated SD into their core values and practices, Man, 45-54, international organisation).

4. Conclusion

In our view, the key lesson learned from this survey concerns the risks that private and public sector organizations face if they fail to integrate SD clearly and convincingly into their management policies. Not only do they run the risk of having their services boycotted by consumers/public opinion, but they also run the risk of having their services boycotted by consumers/public opinion ("SD can be a real means of pressure against businesses. Soon we will only buy and consume sustainable services committed to SD", Women 35-44, public sector), but also to be side lined as potential employers. The next step in this research is to compare the profiles of private sector workers with those in the public sector we interviewed in order to better understand why public organizations tend to be less affected in adopting good sustainable development behavior by this public pressure from consumers.

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