

# Driving Public Organisations Towards Sustainability



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## 1 Introduction

Even if a universally agreed definition is absent, sustainability as an evolving and promising concept [1] should be considered as a norm that helps to support the dynamics of an organisation operating within social and economic ecosystems in order to facilitate public value creation and as a principle that drives both strategy and action within organisations that aim to create value within society [2, 3]. Public organisations as sustainable institutions should drive responsible growth and promote the wealth of society [4, 5], ensuring sustainable financial performance [6], using information technologies [7], paying attention to managing human capital and resources to ensure innovation performances [8, 9], and considering the employees as stakeholders [10].

Thereby, a limited number of studies have investigated the contents of sustainability within public organisations [11]. While the features of sustainable organisations are well elucidated with regards to the private sector, public organisations should identify a pathway to achieve sustainability as a vision for change coping with a continuously dynamic and changing context where problems are complex, volatile and risky. Public organisations contribute to public value encouraging partnerships with civil society to shape strategy within ecosystems [12–14].

Thus, public organisations have not yet identified the sources that can support them for sustainability and have not yet tracked a satisfying pathway for

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sustainability as a key element to drive public administration to behave as an actor which is increasingly more embedded within social and economic ecosystems [14].

The aim of this study is to identify a pathway that helps to explain how public organisations proceed in order to achieve sustainability as a source for change. Public organisations should consider the sustainability as a long-term goal [1] and vision that guides action and decision-making processes [15] and helps to facilitate public value creation, promote public trust and democratic life within communities in the long-term [3, 16–19].

Public organisations should rethink how to approach the issue of sustainability, following both an ecosystem perspective [14] and adopting a public value management view [20] to serve the public interest as a result of dialogue with citizens [21], thus strengthening long-term and multilateral relationships, enhancing multiple accountability systems [12, 16, 22]. Following a public value view, public organisations should consider the employees as people to be motivated so that public administration can strengthen them as human resources to support public value, develop financial communication and reporting, and also promote the potential that is offered by technology as a means that helps drive public administration as sustainability-oriented organisation that is rediscovering new ways of creating value within communities [20, 22].

The paper is organised as follows. After the introduction and methodological section, the literature review identifies the features of sustainable and public organisations. The fourth section explains how public organisations can achieve sustainability by rediscovering the organisational dimension as a source for sustaining financial, social and economic performances by enhancing communication and reporting to the stakeholders for public value creation, managing human resources and developing the potential of information technologies. In the fifth section, a framework of analysis is elucidated in order to drive public organisations as sustainable and responsible institutions that contribute to driving value creation. Finally, conclusions are outlined.

## 2 Methodological Section

The study is theoretical and relies on a literature review relating to sustainability as an emerging concept in the field of public service organisations that contribute to enabling value creation within ecosystems coping with a changing complex context. These organisations promote sustainable financial reporting by developing the potential of information technologies and designing human resources management practices. The selected contributions are drawn from *google scholar* and identified in order to elucidate that public organisations tend to embrace sustainability as a vision for managing *res publica* within communities [15, 19]. The contributions were selected by searching the articles that referred to sustainability, financial reporting and communication, information technology. Sustainability of organisations relies on people and human resources as the main axis that enables financial reporting and

the potential offered by technology. In particular, the selected contributions concerning financial, human resources and technologies dimensions are considered to define some propositions that contribute to identifying a framework that leads public organisations towards sustainability in order to enable public value creation by realising the public interest. The selected contributions are interpreted in a narrative synthesis in order to accommodate differences between the questions, research design and the context. They will also elucidate new perspectives and advance theoretical frameworks on emerging issues [23, 24].

### 3 Literature Review

Today, organisations should deal with sustainability as a condition that enables better functioning of organisations operating within ecosystems and provides new ways for communities oriented to value creation. Sustainable organisations create value by redesigning the business model and redefining strategy, structure, people, human resources management and information technologies in order to achieve performances coping with changing environments [2, 4, 6–9].

While the features of sustainable organisations are well elucidated with regards to the private sector, research is still in its infancy in identifying a pathway for driving sustainability as a strategic vision that helps to facilitate public value creation and support the wealth of community within society [14, 15, 19].

Promoting sustainable capacity building helps to improve performance and development of the public sector within society [25]. Public organisations should keep the responsibility to achieve better sustainability than private companies with regards to an increasing attention to performance evaluation, societal and environmental purposes [26]. Public organisations should conceive sustainability as a long-term goal, a key source for effectiveness within ecosystems and governance networks to face a changing context. Sustainability as a vision for change addresses decision-making processes, facilitates public value creation, and contributes to promoting public trust and democratic life within communities [1, 3, 15–20].

Sustainability as a condition that enables strategy and action within organisations helps both the development and effectiveness of public service organisations [14]. Public organisations should develop sources in order to promote and implement sustainability and accountability within strategy and action [11]. Sustainability implies that public organisations should achieve long-terms issues in order to provide benefits for future generations and to create public value within ecosystems [3, 14, 18]. Advancing sustainable management practices help to drive social and economic growth and leads public organisations and companies to create sustainable value within society and ensure a high quality of life and well-being for people [27–29]. Post-bureaucratic organisations should be citizen-centred institutions, change-driven and results-oriented accountable organisations that promote collective action, participative decision-making involving stakeholders and civil society [30]. Within a plural and pluralist state where values and meanings are negotiated in networks and

relationships, public organisations should position their role within social and institutional environment [31] and learn how to be successfully accountable and more effective in achieving goals as responsive institutions [32]. Sustainable public organisations should contribute to creating value within ecosystems by involving the public and meeting the needs of citizens and other stakeholders, facilitating how citizens use public services [33], relying on management accounting for driving change [34], and using accounting to translate sustainability in action and change [35], promoting the human capital of organisation [7], redesigning trust-based relationships [17] and strengthening development and social exchange for governance [36]. Public organisations should consider the role of civil society and governance networks embracing a citizen-driven view to reinforce social ties [37]. Information and communication technologies (ICTs) help public institutions to involve citizens in policy-making, promote public values, foster social equity and economic development, and advance public sector reform [36, 38, 39] in order to improve democratic life, promote integrity and fairness, and support public trust [18]. Public organisations should adopt a public value management view [20] that relies on strengthening long-term, multilateral and accountable relationships [12, 16, 22].

## **4 How Public Organisations Proceed Towards Sustainability**

In this section, some propositions are identified in order to design a framework that helps public organisations to proceed towards sustainability. Ensuring financial sustainability by communication and reporting relies on strategically managing human resources and developing human capital. The use of ICTs helps public organisations to be open, transparent and accountable institutions in front of citizens and stakeholders within the community.

### ***4.1 Ensuring Financial Sustainability by Communication and Reporting***

With the advent of New public management (Npm) doctrines, great emphasis has been placed on achieving government financial sustainability doing more with less, contributing to decentralising services delivery system and development of implementation plans, providing choices for citizens [40]. Thereby, this weakens the accountability to citizens as users of public services [41]. Instead, there is an increasing attention to considering sustainability accounting and accountability as emerging agenda for driving the evolving development of public organisations [35]. Moreover, paying attention to sustainability reporting helps organisations to

develop a positive impact of operations discharging the responsibilities of stakeholders [42]. As following a public value management perspective, public organisations should support multiple accountability systems looking at citizens as overseers of government and funders [22]. Hence, while the role of financial management in the Npm model is to search for potential revenues and the least-cost method of service delivery, the primary role of financial management in the governance model is to secure financing in order to keep the organisational and network coalitions maintaining multilateral relations intact [12]. Public organisations are still slow in providing sustainable reporting using disclosure only to inform internal stakeholders [43]. They should preserve public finance, design reporting systems and represent financial accounts in order to achieve economic and financial sustainability which promotes public value creation. Public organisations should provide adequate, effective and convincing reporting to promote transparency and accountability in order to justify managerial, policy and strategic choices and policies. While seeking sustainability, organisations tend to report more information than is included in traditional financial accounting, thus identifying a need for extensive qualitative information [44]. While following a path for financial sustainability, public organisations should pay attention to reporting as a coherent method for sustainability [45] as accountable institutions that tend to develop sustainability narratives in an informed way [14].

**Proposition 1** Sustainable public organisations preserve public finance designing reporting systems as open and responsive institutions that represent financial accounts and reports in an appropriate way.

## 4.2 *Managing Human Resources*

People are the most important resource that helps public organisations to serve the public interest. Public organisations should pay attention to human resource management and the social environment. Public management reforms have driven public administration to develop human resources management practices and policies in order to support the commitment and job satisfaction of employees [46]. A human resource strategy should be integrated into the organisational strategy to drive employees to be committed to the goals and objectives of the organisation [47]. Sustaining successful change within public organisations relies on training employees to learn new behaviours. The nature of public service demands a sense of loyalty on the part of public employees who tend to manifest higher attention to services than private employees. The importance of the organisational mission may increase employee work motivation in the public sector. Consequently, public organisations should support the motivational power of public services and create an environment in which employees feel that they can contribute both to the public goal and to an organisation performing valuable services [48]. Human resources practices contribute to achieving high performances in public sector organisations and to

communicate to employees the extent to which organisations trust employees [49]. Human resources management policies help public organisations to attract the necessary people and competencies able to perform the functions of government and deliver public services demanded by citizens [47].

**Proposition 2** Sustainable public organisations rely on the quality of people as public servants and employees and develop human resource management policies and practices as strategic sources driving public value creation and promoting the public interest among the citizens.

### **4.3 Developing the Potential of Information and Communication Technology**

ICTs are changing the way by which public organisations rediscover the public function and redefine the relationships with citizens and businesses. Thereby, information technologies contribute to designing a socio-technical network concerning individuals, structure and the context [50]. They are driving public organisations to support democratic processes and citizen participation [51], engendering public trust and enforcing impartiality, equity, honesty and fairness of government [52]. As institutions embracing ICTs, public organisations ensure inclusiveness in government processes, citizenship and collaboration in government affairs. Information technologies help public organisations to develop a citizen-centred view proceeding along a *continuum* between transparency and accountability [39, 53], enabling them to promote public values, fostering citizens' engagement in policy making and social equity [36, 38].

**Proposition 3** Sustainable public organisations embrace and use the potential of information technologies as a means to strengthen the relationships with citizens, civil society and other stakeholders within the community, promote accountability and design citizen-oriented services in the digital era.

## **5 Towards Sustainable Public Organisations: A Framework of Analysis**

Public organisations should identify a pathway that helps public value creation within ecosystems and governance networks, encouraging partnerships, promoting multilateral relationships by shaping strategy and involving the civil society to face a continuous, dynamic and complex changing context [12–14].

As shown in Fig. 1, public organisations identify a pathway for sustainability as a vision for change that pays attention to financial management by enhancing communication and reporting, strengthening human resource management, and



**Fig. 1** Towards sustainable public organisations for value creation

developing information and communication technologies for value creation. In transitioning from stable to changing contexts, public organisations should move from ensuring efficient services to following a public value view to develop democratic and shared processes, promoting partnerships and involving the civil society within ecosystems.

As institutions that provide adequate and viable financial and social reporting to internal and external stakeholders, public organisations should design a triangle for sustainability which values both the role of people and human resource management practices, and embracing information technologies in order to strengthen the potential of ICTs to help restore the accountable relationship between public organisations, citizens, civil society and other stakeholders within the community [34]. As institutions providing transparent accounts rely on ensuring communication and reporting, public organisations should design appropriate human resource management practices and policies embracing information technologies to support public management reform and reinforce organisational competences and assets [39].

Public management reform is leading public organisations to evolve; they need to embrace strategic and cultural change by training employees to assume new behaviours and support administrative and managerial culture and values coherently alongside the creation of sustainable public and social value over time to benefit communities, social and business ecosystems and enhance the development of human society. Therefore, strategically managing human resources and leading people helps the sustainability of public administration in the service of citizens [54]. Sustainability relies both on using management accounting and ensuring financial viability and guaranteeing openness by providing transparent information about financial management within ecosystems, which occurs by developing the potential of information technologies [34, 39]. Sustainable public organisations should improve social and financial performances, thus meeting the need of citizens by rediscovering and strengthening the organisational dimension as a source for effectiveness, strategic choices and organisational action that relies on ensuring openness along a *continuum* between transparency and accountability [30, 53].

## 6 Conclusions

Sustainability enables public organisations to contribute to value creation and achieve social, financial, economic and democratic performances, ensuring the wealth of communities. The study intends to contribute to the debate on sustainability within public organisations and identifies a framework of analysis that helps to consider the trajectories of development within public organisations aiming at following a sustainability-oriented pathway. Public organisations should approach sustainability as a cultural value embedded in processes and behaviours of administrative action as oriented to develop dialogue with stakeholders within ecosystems. In this study, there are key theoretical, managerial and organisational implications. Public organisations should strategically integrate financial, organisational and technological perspectives in order to identify a pathway for sustainability as a vision that leads to strategy and action in order to provide and contribute to better solutions for policy design by involving civil society, citizens, associations and businesses within governance networks and multilateral relationships that contribute to engendering public value creation.

The contribution of this study is to identify a pathway that helps to drive sustainable public organisations as institutions that contribute to public value and serve the public interest. There are some limitations to this study. Any empirical research and case studies are provided in the analysis. Public organisations are still in their infancy in dealing with sustainability as a source that helps public organisations to serve the public interest and meet the changing needs of citizens, facilitate value creation and ensure high quality of life within communities. Further research perspectives and investigations will consider how some theoretical elements and the elucidated framework can be applied and implemented within the context of local government, autonomies and authorities in relation to the sustainability models designed.

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