6th International Research Symposium in Service Management, IRSSM-6 2015, 11-15 August 2015, UiTM Sarawak, Kuching, Malaysia

Advancing Sustainable Development in the Public Sector via Stakeholders' Engagement Disclosure Website

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Abstract

One of the important elements in advancing sustainability agenda in the public sector is the public participation or stakeholders' engagement. The dissemination of sustainability information is crucial in ensuring the effectiveness of the stakeholders' engagement. Past studies have highlighted the importance of websites as a strategic tool in promoting the sustainability agenda. This study aims to determine the relationship between e-PBT star rating, ISO commitment e-community, internal goals and council's size, and the extent of stakeholders' engagement disclosure on Malaysian local authority website using an institutional theory framework. Adopting a modified stakeholders' engagement index to measure the extent of stakeholders' engagement disclosure, the unit of analysis for this research is 108 Malaysian local council websites. To reduce any subjectivity, the disclosure index is unweighted and consists of 40 items. e-PBT star rating, ISO commitment e-community and internal goals are found to have significant relationship with the extent of stakeholders' engagement disclosure. Overall, the findings indicate the presence of institutional isomorphism – particularly coercive and normative isomorphism – in explaining the extent of stakeholders' engagement disclosure on websites. The research has multiple implications as it provides insights into websites of stakeholders' engagement disclosure in a developing country. It also adds support to institutional isomorphism as a valid theoretical framework within this context. One of the most important practical implications is to highlight the ability of local governments in a developing country like Malaysia for being able to disseminate stakeholders' engagement information through their websites to increase greater transparency and accountability, which in turn, advancing sustainable development in the public sector.

Keywords: public sector; stakeholders engagement; isomorphism; website

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1. Introduction

"Sustainable development" is a term that is gaining popularity throughout the world. Numerous strategic plans for implementing and monitoring sustainable development at national and local levels have been conducted. Within two decades after the Brundtland Report (1987) was released, the Geo political and environmental landscape of the world has changed significantly (Sneddon, Howarth and Norgaard, 2006). With regard to this issue, there is a need to ensure people around the world understand the concept of sustainability and act towards overcoming challenges that lie ahead to achieve true sustainability. Therefore, in order to achieve true sustainability, institutions at all levels must be effectively committed, transparent and accountable on the occasion of organizing any programs or activities that can affect sustainable development. This is due to the fact that sustainable development requires concrete and urgent action thus can only be achieved with cooperation from a broad alliance of people, governments, civil society and the private sectors. The 2012 Resilient People, Resilient Planet report of the United Nations (UN) Secretary General's High Level Global Sustainability Panel recommended that, the government of Malaysia should adopt national sustainable development plans and strategies, which include bringing together all relevant stakeholders from the governments, civil society and the private sectors in order to achieve sustainability (Malhotra, 2012). However, the mechanisms for public participation lack proper adherence and timing to allow for effective input, hence there is lack of access to official government information on all matters. Therefore, the Civil Society Organisation (CSO) has recommended that the government should provide technological and information access to all levels of society which is in line with the public sector reform (Singh, 2004).

During the late 1980s, government agencies around the world began to implement public sector management reforms to improve their efficiency and effectiveness due to demands placed on governments for improved usage of public funds (Mucciarone and Neilson, 2011). This includes several Organisation for Economic Co-operation and Development (OECD) countries that became the central to the rise of the "New Public Management" (NPM) and its associated doctrines of public accountability and organizational best practice (Hood, 1995, p. 93). In Malaysia, NPM has led to the introduction of electronic government (e-government) that encourages the usage of websites as a medium for communication with the citizens by disclosing as much information as possible relating to sustainable development including the disclosure of stakeholder engagement information which in turn, advancing sustainable development. This study aims to determine the relationship between e-PBT star rating, ISO commitment, e-community, internal goals and council's size and the extent of stakeholders' engagement disclosure on Malaysia local authority websites using an institutional theory framework.

The paper begins with an overview of prior literature, an outline of the theoretical framework and hypotheses development. In the subsequent two sections, the research design is described and results are delivered. Finally, implications and the conclusion are featured in the penultimate and final sections, respectively.

2. Literature review

2.1. Sustainable development

During the past decade, the concept of sustainable development attracted significant attention from researchers, governments of different countries and international environmental organizations. According to Joseph (2013), "due to the increase in environment complexities, it is becoming increasingly difficult to ignore the concept of sustainable development" (p. 442). Hsieh (2012) stated that, "the need for sustainability has assumed an increasing importance on the environmental agendas of nations around the world" (p.97). According to the United Nations (1987), the sustainable development refers to, "the needs of the present without compromising the ability of future generations to meet their own needs" (p.247). It contains two key concepts: the concept of 'needs', in particular, and the essential needs of the world's poor, to which overriding priority should be given; and the idea of limitations imposed by the state of technology and social organization on the environment's ability to meet present and future needs. Until today, there have been numerous conferences which have been held all over the world. A very important event that triggered the intention of worldwide nations is the United Nations Conference on Environment and Development or "Earth Summit" in 1992 which was held in Rio de Janeiro, Brazil (Elliot, 2006). The Earth Summit had triggered a chain reaction worldwide and the concept of sustainable development has become a global phenomenon (Ismail, 2012).