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Environmental sustainability in European public healthcare

Could it just be a matter of leadership?

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Abstract

Purpose – The purpose of this paper is to enlarge the debate concerning the influence of leadership on environmental sustainability implementation in European public healthcare organisations.

Design/methodology/approach – This paper is a viewpoint. It is based on preliminary analysis of European standards dedicated to environmental sustainability and their spread across Europe in public healthcare organisations. Viewpoints concerning leadership are then discussed and asserted.

Findings – This paper found a limited implementation of standards such as Green Public Procurement criteria, Eco-Management and Audit Scheme and ISO 14001 in public healthcare. Some clues indicate that the lack of implementation is related to leadership and management commitment.

Originality/value – For the first time, this paper investigates relationships between leadership and environmental sustainability in European public healthcare opening further avenues of research on the subject.

Paper type Viewpoint

Introduction

General government expenditure on healthcare has been growing over most of the past decades. Healthcare expenditure in Europe accounts for between 6 and 12 per cent of gross domestic product, and, in some countries, approximately, 10 per cent of this expenditure comes from public funds. The expenditure includes not only healthcare services but also medical and pharmaceutical products and medical equipment. Citizens are among the main stakeholders of healthcare organisations; as citizens and taxpayers, their interest in the public healthcare system and the quality and efficiency of the related expenditure is progressively growing. With regards to the quality of healthcare expenditure, many people and institutions believe that it is fundamental that public healthcare systems foster and bolster sustainable initiatives in all the processes.

Sustainability principles have been rooted in society; citizens include sustainability in their values. During the past decade, citizens have become familiar with green dilemmas and the challenges of social diversity. The sustainability discourse has progressively involved both customers and policymakers, increasing the demand for public engagement. Consequently, in addition to other variables, sustainability has started to be used to evaluate the quality of public governance, and public choices, mainly with regard to local governments.

Although sustainability principles and sustainable development are included within the business models of many organisations, healthcare organisations have faced the implementation of sustainability issues only recently. Like many other organisations,

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especially private ones, sustainability for healthcare can be considered a strategic issue which affects the so-called triple bottom line framework (Elkington, 1998). According to this accounting framework, organisations should take account of social, environmental and financial results in their strategies (Vagnoni, 2001).

In this light, the European Union (EU) issued some relevant standards for improving the sustainability of public organisations, in particular for environmental sustainability. Specifically, for public procurement practices, the EU issued standards named Green Public Procurement (GPP). GPP standards are considered voluntary standards, and, according to the EU, they should play a fundamental role in the EU's efforts to stimulate both interest and a demand for more sustainable products and services which otherwise would be difficult to get onto the market. However, GPP standards are focused more on environmental product requirements, such as the EU Ecolabel, than on an environmental sustainability management system for the organisation as a whole. However, for all organisations, including those that belong to the public healthcare sector, the European Union (2009) also issued an environmental management system (EMS) called Eco-Management and Audit Scheme (EMAS). EMAS is based on a precise standard issued by the International Organization for Standardization (ISO) named ISO 14001. Therefore, public healthcare organisations and, in particular, European public healthcare organisations, have many ways to implement an environmental sustainability system. Nonetheless, as we will analyse and discuss in the next sections, public healthcare organisations do not seem to be as inclined to implement such standards as the private sector. In the latter, for example, up until now, about 350,000 companies around the world have implemented ISO 14001 requirements, 50,000 of them in Europe and approximately 5,000 have also implemented EMAS.

In this paper, we want to analyse, discuss and state a view about this particular situation, which could, from our standpoint, also be a matter of leadership. Our conclusions will provide food for thought for the LHS community of academics and practitioners and open avenues for new research related to leadership and sustainability.

European standards for environmental sustainability in public healthcare

In 2008, the European Commission, through a specific communication "Public procurement for a better world", launched the strategic process for public organisations that seeks to procure goods, services and works with a reduced environmental impact throughout their lifecycle. After this communication, the European Commission issued the voluntary GPP standards (2015), in which some environmental criteria are suggested to facilitate their inclusion in public tender documents. There are many criteria and, until now, the EU has considered items such as cleaning products and services, combined heat and power, construction, copying and graphic paper, electrical and electronic equipment used in the healthcare sector, electricity, food and catering services, furniture, water-based heaters, transport, indoor lighting, office IT equipment and many others. An analysis of these criteria reveals that they are based on European legislation such as the EU Ecolabel scheme and international standards concerning the environment and health and safety of products/services. These standards propose not only some basic mandatory requirements but also important requirements for setting best practices so that public organisations can become "best-in-class" in terms of sustainability. Undoubtedly, according to the European Commission documents, their

application needs strong commitment from the senior management of the public organisation.

However, GPP standards by their nature can be considered more product standards than a proper EMS in which the organisation as a whole is involved. EMAS was developed for organisations that would like to evaluate, report, register and improve their environmental performance not just performance linked to procurement. EMAS was launched in 1993; since 2001, EMAS has been enlarged to incorporate public organisations with specific guidelines dedicated to this sector. EMAS follows the Plan–Do–Check–Act (PDCA) cycle which should lead the organisation towards the so-called continuous improvement.

To implement EMAS, a public healthcare organisation has to first evaluate its current environmental performances, which includes identifying direct and indirect environmental aspects and impacts and, above all, its compliance with the applicable legal requirements. After this stage, the organisation has to implement an EMS starting with a definition of its environmental policy and programme. The EMAS standard points out the relevance of the definition of an environmental policy. According to the European Commission:

> The environmental policy describes the organisation's overall aims and principles of action with respect to the environment. Without it, all further steps become unclear. An environmental policy has to be adopted at the highest managerial level and revised periodically.

The European Commission emphasises that the involvement and commitment of top managers is required to improve the environmental sustainability of an organisation as a whole.

Another process within EMAS is the environmental statement which is addressed to the organisation's stakeholders. In this document, the organisation has to describe annually the environmental procedures put in place and the achievements in terms of environmental indicators. As an interesting note, this document has to be communicated to all the stakeholders. At the end of the EMAS process, there is an opportunity to have the name and location of the organisation's sites registered in a public European register. To achieve this, the organisation has to undergo an external assessment which begins with the validation of the environmental statement and ends with an on-site audit. Then, once per year, the organisation has to renew its environmental statement as well as receive on-site auditors.

When it comes to the implementation of an EMS, EMAS promotes compliance with a voluntary standard issued by the ISO: ISO 14001. ISO 14001 is similar to EMAS, but, at the end of the process, there is no request to issue and validate an environmental statement for the stakeholders. ISO 14001 does require, however, that the organisation submit itself to yearly audits from an external independent body. ISO 14,001, now in its 2015 version, is a well-structured EMS which involves all of an organisation's processes, and it can be applied to the public healthcare sector. According to the ISO (2015) website, ISO 14001 can help organisations identify, manage, monitor and control their environmental issues in a holistic manner starting from the top management. In particular, in the 2015 version, organisations are requested to increase the significance of environmental management within their strategic planning processes, to receive greater input from top management and a stronger commitment to proactive initiatives

that boost environmental performance. But what really makes the difference in the 2015 version is leadership. For the first time, ISO (2015, p. 7) 14001 states that:

> Top management shall demonstrate leadership and commitment with respect to the environmental management system by taking accountability for the effectiveness of the environmental management system.

Therefore, leadership, commitment and top management involvement seem to be the most important ingredients for implementing an environmental sustainability management system in every kind of organisation.

Analysis and discussion

Our review of European environmental management standards has shown that European public healthcare organisations have different vehicles for improving their environmental sustainability processes: from GPP, which is focused on sustainable procurement, to complete environmental management systems such as ISO 14001 and EMAS. Are these standards implemented by public healthcare organisations?

Starting from the GPP criteria, it is difficult to find some official figures. Research using Google Scholar and other search engines indicates that they are not applied in European public healthcare. For instance, the European Commission published in 2012 a paper dedicated to best practices in terms of GPP criteria (European Commission, 2012). The best of the collected best practices referred to public education and central and local governments; there was no trace of best practices in public healthcare. Brammer and Walker (2011) investigated sustainable procurement in the public sector, including healthcare, comparing different countries and regions. Their paper neither quoted specific public healthcare organisations nor tried to estimate how many organisations in Europe are focused on sustainable procurement. However, our research shows that there is a different rate of interest around Europe as well as some aspects that can impede sustainable practices; in particular, financial and managerial aspects were identified as potential obstacles to these practices.

The results of a preliminary analysis of ISO 14001 application show a similar situation: there are some ISO 14001-certified private hospitals in the USA and Canada, as well as in Japan and Singapore, but it seems there are very few in Europe. Research carried out by Maastricht University (2009) and the European Hospital and Healthcare Federation discussed 25 best practices of public hospitals around Europe which applied best practices for an EMS following some ISO 14001 requirements. However, only two, Helsingborg hospital in Sweden and Hospital General Universitario de Ciudad Real in Spain, received the certification of compliance from an external body. However, we discovered another 20 ISO 14001-certified public healthcare organisations located in Spain, Germany, Austria and Greece; the majority of them are in Spain. The same Spanish public organisations are also registered in the EU EMAS register. Interestingly, many of these EMAS projects were funded directly by the EU, bypassing the typical problem of lack of funds linked to European public organisations.

When an organisation gets EMAS registration its environmental statement is usually made publically available through its website. We analysed environmental statements; in particular, those from Spanish public healthcare organisations. We found interesting connections to leadership, senior management commitment and

involvement. First, in all the statements, there is a section dedicated to the environmental policy of the organisation in which we can find common traits:

- A precise description of senior management's commitment to the EMS.
- A link between environmental performances and the strategic planning process.
- Assigned resources for the continuous improvement of the environmental performances directly from the top manager.

Therefore, this documentation reveals that, as described earlier, leadership, commitment and involvement of senior managers are fundamental to the implementation of an EMS. Other authors agreed with these findings. For instance, Strand (2014) discussed the emergence of top management team positions with dedicated sustainability responsibilities at the corporate level. And, according to Metcalf and Benn (2013), the implementation of sustainability in an organisation's strategy and operations requires leaders of extraordinary abilities. Leaders are required to predict and read the institutional complexity (Block and Manning, 2007), and to solve problems considering the ethics and the principles of the organisational groups with which they are engaged. They need to link the sustainability of the organisation to the broad context in which their organisation sits.

In this light, analysis of the political and social situation in European public healthcare reveals other strategically relevant issues. For instance, citizens of all European countries consider public healthcare services a must. Due to the fact that they pay for healthcare through taxes, or other kinds of payments, they want the best healthcare system at the cheapest price. During the past decades, each EU country has spent more and more money to improve public healthcare services to the extent that nowadays the expenditure is almost unaffordable. The last economic crunch had a dramatic effect on EU countries and they started to reduce and rationalise healthcare expenditure. In this way, public healthcare organisations can sometimes be subjected to external political influences in terms of strategies and performances to be achieved. Surely, the most important stakeholder, the patient who is both payer and voter, has a privileged channel. And considering the lack of resources, usually public healthcare does not endorse projects related to environmental sustainability. In some countries, like Italy, the top managers of public healthcare organisations are appointed by local politicians; this situation leads to strategic issues tending to be decided at an external and political level. In this particular case, we can speak of an external leadership. In this light, many senior managers within public health organisations seem keener on launching strategic projects for improving the quality of patients' care or saving money through a rationalisation of drugs and medical equipment expenditure rather than sustainable procurement or EMSs.

Our findings, which are based on an analysis of GPP criteria applications, as well as EMAS and ISO 14001 certifications, are not just limited to pollution reduction and stakeholders' satisfaction. All the public healthcare organisations achieved relevant savings in terms of resources as well: they reduced their electricity and water consumption, improved waste management and reduced CO_2 emissions, in the same manner as many private industries did (Chiarini, 2014). As a further interesting note, the funding of the EMSs of many of these public healthcare organisations was drawn from

the EU rather than local authorities. Therefore, there are no excuses for a lack of leadership on environmental sustainability issues.

Conclusions

Environmental sustainability management and development have entered the business models of many organisations, including European public healthcare organisations. The EU has issued standards in terms of sustainable environmental management, all of which can be implemented in public healthcare organisations. In particular, GPP, EMAS and ISO 14001 standards if implemented can improve environmental performances. An analysis of these standards shows that their application starts with leadership, commitment and involvement from top and senior management. Although European public healthcare organisations have different vehicles for improving sustainable environmental management, our analysis of the current situation reveals that only a few of these organisations have implemented these standards.

Our point of view, which, however, is based on limited data and information, is that the failure to implement EMSs is due to a lack of particular characteristics of leadership and to external pressures from political leaders. Pressure is applied to the top and senior managers of many European public healthcare organisations to direct their strategies in different directions. To be more specific, quality of care services and cost reduction are surely at the top of their agendas (Chiarini, 2013). However, in this way, we are missing opportunities as both citizens and taxpayers. Indeed, the few public healthcare organisations that have implemented GPP, ISO 14001 or EMAS have demonstrated the real possibility of achieving results in all the three bottom-line dimensions, saving money in terms of resources and leaving at the same time a less polluted world to European citizens as a legacy.

Although different and well-known EMSs are available, we have little knowledge concerning the figure of the leader for environmental sustainability in public healthcare organisations. In consequence, we would like to invite LHS academics and practitioners to a deeper investigation of the subject to understand what kinds of characteristics we need from these leaders. According to Eisenbeiss (2012), a leader focused on ethical leadership, including environmental leadership, should have four specific characteristics: humane orientation, justice orientation, responsibility and sustainability orientation and moderation orientation. We want to know whether such a leader needs only to be an expert on environmental sustainability, or whether a sustainable orientation from a cultural and professional standpoint is necessary, or should the leader be a moderator who can balance all the stakeholders' needs, including politicians who might not be as inclined to environmental sustainability as others.

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Further reading

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