UNDERSTANDING EMPLOYEE ENVIRONMENTAL BEHAVIOUR IN PROFESSIONAL SERVICE FIRMS

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ABSTRACT

This study focuses on understanding employee environmental behaviour in professional service firms that are implementing pro-environmental strategies. To date research has mainly focused on environmental management programmes (EMPs) within manufacturing, however, the size of the service economy's contribution to GDP in more economically developed nations adds to the importance of exploring environmental issues in service firms (Kassinis & Soteriou, 2009). The research seeks to develop a model to explain employees' motivations to engage with the organisation's EMP. Although EMPs have the potential to improve an organisation's environmental performance, adopting an internal-marketing approach to promote positive environmental outcomes by service employees may enhance the realisation of environmental objectives.

INTRODUCTION

The purpose of this study is to explore how individual motivations influence employee adoption of environmental management programmes in professional service firms. Sustainable development strategies are seen as a way of tackling the escalating conflict between economic growth and environmental degradation. In order to achieve sustainable operations, organisations are faced with the problem of how best to manage their environmental impact. Literature suggests that proactive organisations that embrace the environmental challenge will be the ones most likely to survive and prosper in terms of operational and financial improvements (Russo & Fouts, 1997). Environmental management programmes (EMPs) are defined as, "(a) recycling, reuse, asset recovery, and disposal; (b) the minimization of waste and the effective handling and processing of hazardous materials; and (c) any project or program that the case study firm has specifically identified as an "environmental" project or program' (Carter, 2001, p. 12). To date research has mainly focused on EMPs within the manufacturing sector, however, the size of the service economy's contribution to GDP in more economically developed nations adds to the importance of exploring environmental issues in service firms (Kassinis & Soteriou, 2009). Therefore, research that examines company-initiated EMPs in professional service firms will address this context gap and is a rich area for research. Although EMPs have the potential to improve an organisation's environmental performance, the realisation of environmental objectives requires employees to adopt environmental behaviours and perform environmental practices.

LITERATURE

This research attempts to understand the complex factors that determine employee adoption of EMPs in professional service firms. Ambiguity exists around the term professional service firms (PSFs) and there is no consensus on a definition, however, they are understood to be firms with high levels of customer contact and service customization upon which delivery is reliant on highly skilled employees (Lewis and Brown, 2011; Maister, 1997). A recent literature review showed PSFs possessed the following characteristics: knowledge intensity, low capital intensity, and a professionalized workforce (Von Nordenflycht, 2010). PSFs offer an interesting context in which to conduct academic research given they represent a growing sector within western economies and, because they almost entirely rely on highly skilled labour they are viewed as the exemplar organizational form of an increasingly human capital-intensive economy (Lowendahl et al. 2001; Von Nordenflycht, 2010). The combination of a highly skilled labour force with a high degree of customization in their work creates a challenge for management as mass produced, standardized and supervised work principles are inapplicable in PSFs (Maister, 1997). The nature of professional employees' work emphasizes the need for worker autonomy, collegiality and informality (Starbuck, 1992), hence management is faced with the challenge of 'herding cats' (Von Nordenflycht, 2010) and must rely on the 'guiding, nudging, and persuading,' (Malhotra et al., 2006, p.175) of professional employees rather than implementing standard operating procedures to professional service operations (Kellogg and Nie, 1995). Applying this logic to the implementation of EMPs it is clear that a better understanding of professional employees' motivations is needed, specifically their motivations for engaging with EMPs may improve EMP design and delivery to employees, and aid in the development of appropriate management tools to encourage employees to adopt environmental behaviours. Yet, why PSFs would want to implement a pro-environmental strategy must first be explored.
The Growing Importance of Environmental Performance

Research proposes that corporate environmentalism or green management emerged in the 1990s and became internationally recognised and used by organisations in the 2000s (Lee, 2009). The combination of economic benefits and market prospects means opportunities for organisations to achieve competitive advantage do exist (Carter, 2005; De Burgos Jiménez & Céspedes Lorente, 2001; Hart, 1995; Hunt & Auster, 1990). Organisations are also facing more stringent institutional demands from governments. However, this coercive pressure is also an important way organisations can achieve external legitimization (Darnell, Jolley, & Handfield, 2008; Seuring & Müller, 2008) and compliance avoids penalties and negative publicity (Darnell, Henripes, & Sadorsky, 2008; Hunt & Auster, 1990). Society’s growing environmental concern mean organisations are compelled to act and incorporate environmental concerns into their strategy (Walker, Di Sistob, & McBain, 2008). Often EMPs are also driven by a sense of corporate social responsibility (Hanna, Newman, & Johnson, 2000) or philanthropy where organisations feel obligated to “do the right thing” (Bansal & Roth, 2000).

The Role of EMPs in Improving Environmental Performance

EMP\s present an important means by which organisations can advance their environmental agenda as well as underpin continuing efforts to become more sustainable. EMP\s have the ability to both directly (operational) and indirectly (economic/financial) contribute to positive environmental performance improvements (Zhu & Sarkis, 2007).

Porter and Van der Linde contend that through pollution prevention strategies organisations will achieve enhanced resource productivity making them more competitive (Porter & Van der Linde, 1995). PSF pollution prevention strategies may include implementing efficient energy consumption practices, a closed loop waste management system, curtailing unnecessary business travel practices and investing in an environmental management system (EMS). This concept of a synergistic and reciprocal link between operational and environmental performance is supported in empirical work (Hanna, et al., 2000; Pil & Rothenberg, 2003; Zhu & Sarkis, 2007).

Environmental investments can deliver positive returns and/or reduce risk but only when organisations adopt the right EMP for the organisation’s circumstances and strategy (Reinhardt, 1999). The link between environmental and financial performance has been extensively tested and empirical evidence suggests that environmental responsiveness does not negatively impact corporate competitiveness (Carter, Kale, & Grimm, 2000; Christmann, 2000; Hanna, et al., 2000; Klassen & McLaughlin, 1996; Russo & Fouts, 1997; Zhu & Sarkis, 2007).

Whilst the literature has shown that environmental programmes have the potential to directly and indirectly influence organisational performance, environmental success is determined by how EMP\s are used and therefore employee adoption is critical (Reunis, van Raaij, & Santerma, 2004).

The Importance of EMP Adoption

Although the merits of EMP\s have been widely acknowledged, achieving these benefits remains a challenge as organisations experience difficulties with employee adoption of the EMP. Building on Reunis et al.’s (2004) definition, adoption behaviour is defined as, ‘making an active contribution towards the implementation or use of the [environmental programme] tool’ (Reunis, et al., 2004, p. 203). Adoption behaviour can also include a negative dimension or deviation from the environmental programme (Reunis, 2004). This deviation can manifest itself as hesitation, reluctance, resistance or even sabotage (Harris, 2002). Non-adoption behaviours can cause costly problems for organisations including creating unnecessary management costs and exposing the organisation to unnecessary risk (Karjalainen, Kemppainen, & Raaij, 2009). In turn, non-adoption or limited adoption significantly impacts on the potential benefits of EMP\s because in order for EMP\s to improve environmental performance, they must become adopted behaviours of employees. Given the unique position employees occupy between the EMP and any environmental performance improvement understanding employees’ intentions to adopt EMP\s appears to be key in ensuring the successful environmental performance of the PSF. This gives rise to the first guiding research question: (1) What motivates PSF employees to participate in EMP\s?

Individual Behaviour Model

The Theory of Planned Behaviour (TPB) originated in the field of social psychology (Ajzen, 1991) and its purpose is to understand and predict virtually any human behaviour. Thus, it provides an appropriate conceptual framework for this research because it offers a clearly defined model that allows the investigation of individuals’ intentions to perform pro-environmental behaviours. The TPB is built on the assumptions that behaviour is intention led, that human beings make systematic use of the information available to them and, consider the implications of their actions before they decide to engage in certain behaviours. According to the TPB, the most important determinant of behaviour is behavioural intent and,