
The influence of the public opinion on SOEs

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Introduction



Public opinion is the
thermometer a monarch should
constantly consult.

~ Napoleon Bonaparte

AZ QUOTES

... not only monarchs, but also SOEs...

Stakeholders of SOEs

- Many studies on stakeholders of SOEs (for example OECD 2015; Ring&Perry 1985; Bruton et al. 2015)
- Common findings:
 - many public and private stakeholders
 - SOEs are under strong scrutiny from stakeholders
 - diverging expectations → high complexity
- Previous research: focus on *whether* stakeholders influence SOEs
- Our focus: *how* do stakeholders influence SOEs
→ through *public opinion*

Public Opinion: Definition and Dimensions

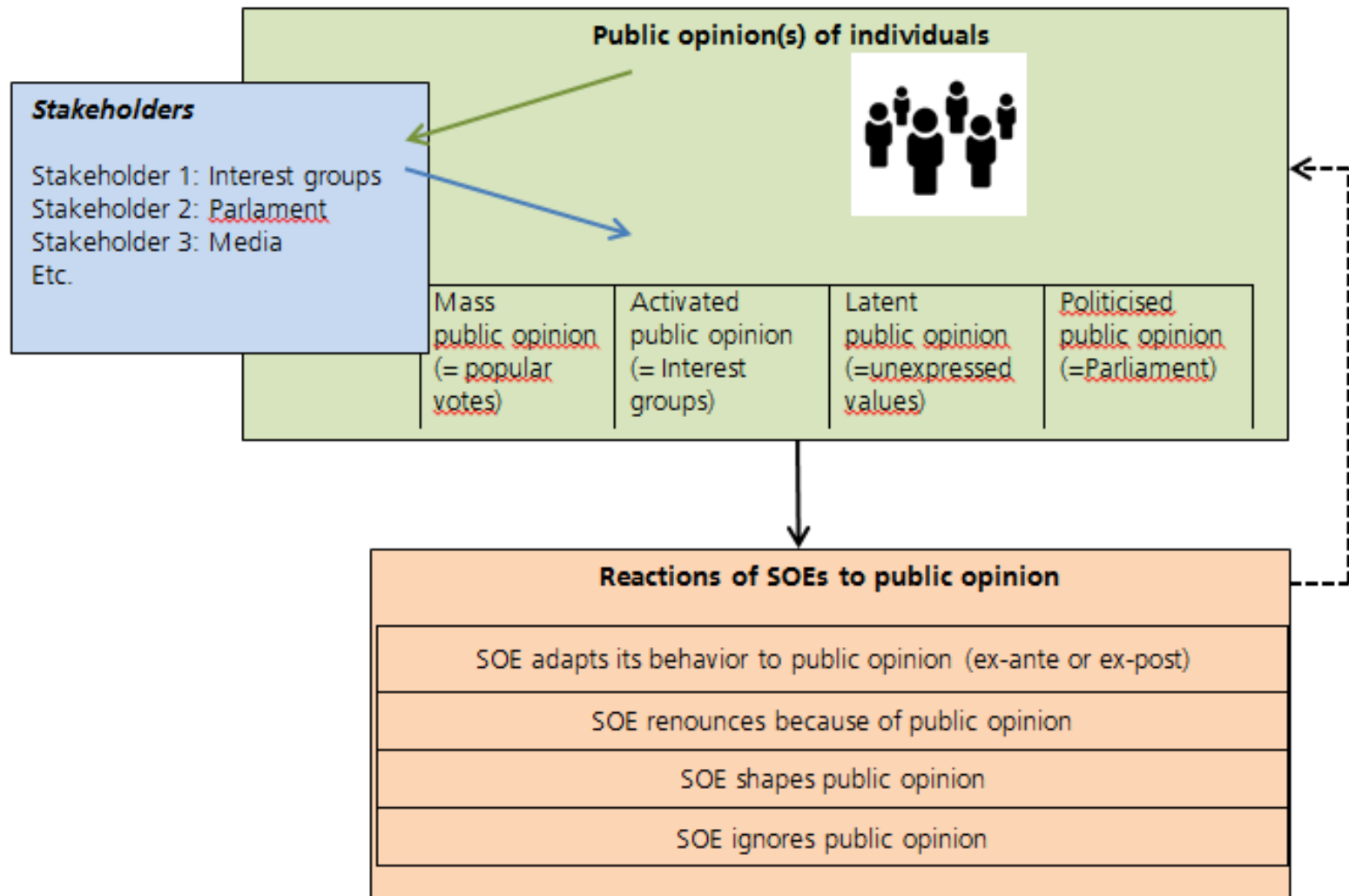
- Public Opinion = blurred term → no standard definition in theory
- Alternative approach to define public opinion: different empirical forms of public opinion

Mass public opinion	Activated public opinion	Latent public opinion
(Numeric) Aggregation of individual opinions, for example votes	Publication / Aggregation of individual opinions by all kind of associations	Underlying values and feelings of individuals which are not explicitly aggregated or expressed

Relevance of public opinion for SOEs

Mass public opinion	Activated public opinion	Latent public opinion
<ul style="list-style-type: none">- SOEs may be the subject of votes and/or topic in electoral campaigns- SOEs are concerned by the results of votes and/or elections	<ul style="list-style-type: none">- SOEs are often the subject of campaigns / activities by associations of civil society- SOEs are often the subject of articles in media	<ul style="list-style-type: none">- SOEs are often part of the underlying values of citizens because SOEs are national symbols & deliver essential services for everyday life → people have values / opinions

Model of the influence of the public opinion on SOEs



Reactions of SOEs to the public opinion

- Why do SOEs react to the public opinion at all?
 - New Institutionalism theory: SOEs need legitimacy granted by the stakeholders (DiMaggio/Powell 1983; Deephouse et al. 2017)

New-Institutionalism: typology of Oliver (1991)



Reactions of SOEs to public opinion

Defy

Avoid or compromise

Manipulating

Ignore the public opinion

Compliance with public opinion

Shaping the public opinion

Conclusion

Stakeholders are important because they aggregate individual opinions to different forms of public opinion

- Public Opinion = the intermediary link between stakeholders and SOEs
- Public Opinion = important to understand the behaviour/decisions of the management of SOEs
- Empirical cases of Switzerland show the validity of the model; further empirical research needed