

**FIGURE 2-1 Summary of Literature on Differences Between Public and Private Organizations: Main Points of Consensus**

This table presents a summary of the points of consensus by stating them as propositions regarding the attributes of a public organization, relative to those of a private organization.

<i>Topic</i>	<i>Proposition</i>
<b>I. Environmental Factors</b>	
I.1. Degree of market exposure (Reliance on appropriations)	I.1.a. Less market exposure results in less incentive to cost reduction, operating efficiency, effective performance. I.1.b. Less market exposure results in lower allocational efficiency (reflection of consumer preferences, proportioning supply to demand, etc.). I.1.c. Less market exposure means lower availability of market indicators and information (prices, profits, etc.).
I.2. Legal, formal constraints (courts, legislature, hierarchy)	I.2.a. More constraints on procedures, spheres of operations (less autonomy of managers in making such choices). I.2.b. Greater tendency to proliferation of formal specifications and controls. I.2.c. More external sources of formal influence and greater fragmentation of those sources.
I.3. Political influences	I.3.a. Greater diversity and intensity of external informal influences on decisions (bargaining, public opinion, interest group reactions). I.3.b. Greater need for support of "constituencies" (client groups, sympathetic formal authorities, etc.).
<b>II. Organization-Environment Transactions</b>	
II.1. Coerciveness ("coercive," "monopolistic," unavoidable nature of many government activities)	II.1.a. More likely that participation in consumption and financing of services will be unavoidable or mandatory. (Government has unique sanctions and coercive powers.)
II.2. Breadth of impact	II.2.a. Broader impact, greater symbolic significance of actions of public administrators. (Wider scope of concern, such as "public interest.")
II.3. Public scrutiny	II.3.a. Greater public scrutiny of public officials and their actions.
II.4. Unique public expectations	II.4.a. Greater public expectations that public officials act with more fairness, responsiveness, accountability, and honesty.

**FIGURE 2-1 (continued)**

<i>Topic</i>	<i>Proposition</i>
<b>III. Internal Structures and Processes</b>	
III.1. Complexity of objectives evaluation and decision criteria	III.1.a. Greater multiplicity and diversity of objectives and criteria. III.1.b. Greater vagueness and intangibility of objectives and criteria. III.1.c. Greater tendency of goals to be conflicting (more "tradeoffs").
III.2. Authority relations and the role of the administrator	III.2.a. Less decision-making autonomy and flexibility on the part of public administrators. III.2.b. Weaker, more fragmented authority over subordinates and lower levels. (1. Subordinates can bypass, appeal to alternative authorities. 2. Merit system constraints.) III.2.c. Greater reluctance to delegate, more levels of review, and greater use of formal regulations (due to difficulties in supervision and delegation, resulting from III.1.b.). III.2.d. More political, expository role for top managers.
III.3. Organizational performances	III.3.a. Greater cautiousness, rigidity. Less innovativeness. III.3.b. More frequent turnover of top leaders because of elections and political appointments results in greater disruption of implementation of plans.
III.4. Incentives and incentive structures	III.4.a. Greater difficulty in devising incentives for effective and efficient performance. III.4.b. Lower valuation of pecuniary incentives by employees.
III.5. Personal characteristics of employees	III.5.a.* Variations in personality traits and needs, such as higher dominance and flexibility, higher need for achievement, on the part of government managers. III.5.b.* Lower work satisfaction and lower organizational commitment.

\*III.5.a and III.5.b. represent results of individual empirical studies rather than points of agreement among authors.

SOURCE: Hal G. Rainey, Robert W. Backoff, and Charles H. Levine, "Comparing Public and Private Organizations," *Public Administration Review* 36 (March/April 1976): 236-237.