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**INDIVIDUAL AND ORGANIZATIONAL FACETS OF CHANGE IN THE PUBLIC
AND**

PRIVATE SECTOR: A COMPARATIVE STUDY

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ABSTRACT

This study compares individual (i.e., readiness to change and locus of control) and organizational aspects of change (i.e., participation in decision making and risk-taking reward orientation) in Belgian public and private sector organizations. This empirical research is based on perceptions of 930 managers and 629 employees collected through a questionnaire survey from a variety of public (n = 35) and private sector organizations (n = 21). In total 1,559 responses were collected from the private (n = 827) and the public sector (n = 732). The hypotheses tested were that; in the public sector people report (a) a lower level of readiness to change (i.e., emotional involvement and commitment to change); (b) a lower level of internal locus of control; (c) a lower risk-taking reward orientation; and (d) a higher level of participation in decision-making in comparison to the private sector. Two-way analyses of variance, private versus public and managerial versus non-managerial position of respondents, were performed. Results yielded significant main effects for sector on locus of control, risk-taking reward orientation and readiness to change, and contribute to the debate on similarities and differences between public and private sector management. Some main effects can not be interpreted in a straightforward manner, since significant interaction effects were observed between sector and hierarchical position for locus of control, risk-taking reward orientation, commitment to change, and emotional involvement. In brief, the hierarchical position of respondents is an important moderator variable that helps to explain differences between both sectors. To conclude, the findings of this inquiry have noteworthy theoretical and managerial implications that are discussed throughout this paper.

Key words: *readiness to change, locus of control, participation in decision making, risk-taking reward orientation, public and private sector comparison.*

1. INTRODUCTION

The call to pursue public service improvement is a major topic on the policy agenda of many governments (Boyne, 2004; Boyne et al., 2004; Boyne et al., 2002; Parys, 2003). During the last two decades, governments across the world have been changing public services through reorganization and restructuring in an attempt to attain higher performance and quality (Parys, 2003; Pollit and Bouckaert, 2000; Solomon, 1986). In addition, managers in the public sector have been encouraged to adopt private sector management models (Box, 1999; Ferlie et al., 1996). In consequence best practice models, which have proven their effectiveness in the private sector, such as 'Total Quality Management', 'Management by Objectives', etc. have been extolled as key routes to quality improvement and higher efficiency in the public sector (Boyne et al., 2002). The successfulness of implementing these private sector management models, however, has come under attack and viewed with certain skepticism (Boyne, 1996; Ranson and Stewart, 1996). According to Sayre (1953) public and private organizations are fundamentally alike in all 'unimportant' respects. Allison (1979) even goes one step further by stating that as private and public organizations are fundamentally different, there is little point in seeking to draw lessons in the private sector. These assertions, however, lack empirical argumentation as the number of review studies in which both sectors are compared, is scarce.

Despite the paucity of comparative research, Boyne (2002) summarized the aspects on which both sectors differ. According to his analysis public organizations are more bureaucratic, public managers are less materialistic, and organizational commitment is weaker in the public sector. Also a very interesting conclusion from this study is that research on the environmental context of the public or private sector is largely unknown. In addition, both practitioners and academics are increasingly aware of the important role this environmental context might play in organizational change (Armenakis and Bedeian, 1999; Pettigrew et al., 2001). As organizations with different contextual backgrounds are entering into a more turbulent and dynamic world of international business and the globalization of world markets continues apace, comparison of organizational change issues appears to be gaining momentum.

The environmental context factors of change comprise two large sets of variables: external environment conditions and internal environment conditions of change. In literature external environment conditions involve industry level changes (Meyer et al., 1990), legislative and technological changes (Haveman, 1992; Kelly and Amburgey, 1991), competitive pressure (Meyer et al., 1990), etc. Internal environment elements involve organization and individual factors of change (Burke and Litwin, 1992). In our study the environmental context of the public and private sector can be considered as an external environment condition. Regarding the individual factors of change we included the personality characteristic locus of control (Lau and Woodman, 1995; Wanberg and Banas, 2000) and the attitude readiness to change (Armenakis et al., 1993), both concepts of which the importance has been frequently noted in organizational change research. The organizational factors of change considered in this inquiry are risk-taking reward orientation (Devos et al., 2002; Prochaska et al., 1994) and participation in decision making (Chonko et al., 2002; Eby et al., 2000; Wanberg et al., 2000).

To our knowledge, research on how both sectors shape the internal environment elements of change (i.e. readiness to change, locus of control, risk-taking reward orientation and participation in decision making) is non-existent. This is peculiar, because in times where the public-private sector interface has become increasingly important (Posner and Schmidt, 1996; Zouggari, 2003), comparative research could refine our understanding of appropriate change management practices for both sectors. In the light of this, and also in our challenge to contribute to a more accurate perception of both sectors by scholars and practitioners alike, the main goal of the present inquiry is to compare these key features of change in the private and public sector.

2. INDIVIDUAL AND ORGANIZATIONAL ASPECTS OF CHANGE

2.1 Readiness to change as a multidimensional concept

Getting your employees motivated to change whether it concerns organizations in the private or public sector, is an important condition for successful change. So, the ability and drive of an organization to change heavily depends on the commitment, motivation and readiness to change of its employees (Armenakis et al., 1993; Backer, 1995; Bernerth, 2004; Eby et al., 2000). In other words ‘if people do not change, there is no organizational change (Schneider et al., 1996; p.7).

Readiness to change concerns people’s beliefs, attitudes, and intentions regarding the extent to which changes are needed and their perception of individual and organizational capacity to successfully make those changes. Readiness is a state of mind. It is a cognitive precursor to behavior of either resistance or support (Armenakis et al., 1993). This commitment to change is a force (a mindset) that binds individuals to a course of action deemed necessary for the successful implementation of a change initiative (Herscovitch and Meyer, 2000). Apart from the cognitive orientation in readiness to change (Schein, 1980; Argyris, 1990), important and inseparable from the cognitive process, and playing a central role in perception of change is emotion (Damasio, 1994). According to Huy (1999), emotional involvement affects the concrete actions taken by a person in the direction of change.

2.2 Locus of control

Locus of control refers to the perception by an individual of his or her control over the environment (Rotter, 1966). People with an internal locus of control see themselves as active agents and believe they have control over their environment and their personal successes. Those with an external locus of control see themselves as relatively passive agents and believe that the events in their lives are controlled by external forces such as chance and powerful others. Substantial empirical work hallmarks the importance of this personality characteristic in explaining successful implementation of organizational change (Devos and Buelens, 2003; Judge et al., 1999; Wanberg and Banas, 2000).

2.3 Participation in decision making

Participation in decision making refers to employees' perceptions of their work environment as participative and perceived involvement in decisions relevant to pending change efforts. It is perhaps one of the most important perceptions that shape people's attitude toward change because it capitalizes on self-discovery (Fishbein and Ajzen, 1975). This self-discovery combined with the symbolic meaning of organizational leaders demonstrating their confidence in the wisdom of employees (through participation), can create a genuine feeling of partnership, ownership (Coch and French, 1948). Prior research has already indicated that participation is a key variable to increase acceptance of change (Kotter, 1995; McNabb and Sepic, 1995; Reichers et al., 1997; Wanberg and Banas, 2000).

2.4 Risk-taking reward orientation

In today's continually changing business environment, organizations often have to undergo large scale, so-called second order changes, in order to stay competitive. These changes often lead to a great deal of uncertainty among employees (Bordia et al., 2004; Terry and Jimmieson, 2003). This uncertainty or perceived risks associated with change related outcomes are found to affect different aspects of organizational behaviour including the motivation to change (Ashford, 1988; Ashford et al., 1989; Bordia et al., 2004; Hui and Lee, 2000; Pollard, 2001). According to Prochaska et al. (1994) people will only implement change and prepare for action when the perceived benefits of change outweigh the anticipated risks of change. In other words, people will only take risks if the rewards for taking those risks are high enough. Senge (1990), for instance, found that organizations where risk-taking behaviour is rewarded stimulate a climate of organizational learning and innovation in which employees are motivated to support organizational changes.

After having defined the individual and organizational aspects of change, the next paragraph addresses the differences that are expected between the private and public sector.

3. EXPECTED DIFFERENCES IN THE PUBLIC AND PRIVATE SECTOR: THE FORMULATION OF HYPOTHESES

Several scholars emphasize the role of environment or context in bringing about change (Armenakis and Bedeian, 1999; Pettigrew et al., 2001). According to Ring and Perry (1985) the context in which public and private managers are operate differs significantly. These environmental differences affect the attitudes and behaviours of employees and managers during times of change (Wanberg and Banas, 2000; Simon, 1957). Furthermore, the ‘Social Information Processing Model’ of change asserts that job attitudes result from available information in the environment. Information from others may be particularly influential in shaping workers’ initial impressions of change by providing a schema through which to interpret complex cues, environmental cues, increasing or decreasing the salience of certain issues, environmental cues, and individual needs (Miller and Monge, 1985; Salancik and Pfeffer, 1978; Thomas and Griffin, 1983). More specifically, people draw a serious amount of information about the appropriateness of behaviour and attitudes toward change from the climate in which they work (i.e. organizational climate). According to Rousseau (1988) the organizational context and especially the climate is central to most if not all models of organizational behaviour, and therefore is also essential in helping to explain differences between the public and private sector organizations regarding readiness to change, locus of control, participation in decision making and risk-taking reward orientation.

3.1 Market driven externally oriented focus and differences in participation in decision making

A recent study indicates a difference in preferred organizational focus (internal versus external focus) between the public and private sector (Buelens and Van den Broeck, 2007). In comparison to private sector personnel, public sector personnel are more motivated by a supportive working environment (internal focus). Prior research has also demonstrated the stronger market, externally oriented focus of private sector organizations (Lindblom, 1997; Turk et al., 1979). Managers in the private sector operate in a competitive and dynamic environment, where profitability is the ultimate criterion of success. In order to achieve these objectives private sector managers are expected to be responsive to market demands and to implement organizational policies that facilitate efficient and rational action.

The globalization of the market, the emergence of e-business, the accelerated pace at which technological innovations are introduced, and the increased value of knowledge (Burke and Trahan, 2000; Cascio, 1995; Conner, 1992), increase the level of competition and diminish the chance of recognizing windows of opportunity. As a result of this turbulent market environment, a higher sense of urgency among managers of the private sector is requested, so that they can respond more quickly to changes. In consequence, due to time pressure it is generally not feasible for managers to adopt the time consuming decision technique of participation when making strategic decisions. For managers in the public sector it is a totally different situation. Competition is often prohibited for public sector organizations because it can be cumbersome for its clients (Nutt, 2000). Public sector organizations are expected to collaborate with other organizations offering similar services and not to compete for customers. As a result, strategic decision makers attempt to enhance co-operation and collaboration, by giving all stakeholders the opportunity to participate in decision-making. Furthermore everyone has ownership in a public organization forcing the strategic decision maker to involve all stakeholders in the decision-making process (Wamsley and Zald, 1979). According to Posner and Schmidt (1996) the importance of various organizational stakeholders is viewed significantly different by business and public sector executives. Public sector executives placed greater importance on stakeholders, in general, than did their business counterparts. Based on these findings we formulate the following hypothesis:

Hypothesis 1: In the public sector people experience a higher level of participation in decision-making in comparison to people in the private sector.

3.2 Preference for organizational structure and differences in locus of control, readiness to change and risk-taking reward orientation

Regarding the second climate dimension 'organizational preference for structure' extensive research has been conducted to examine whether public agencies are more bureaucratic than private ones. A lot a studies supported this hypothesis (Boyne, 2002; Emmert and Crow, 1988; Lan and Rainey, 1992; Rainey, 1983; Scott and Falcone, 1998; Zeffane, 1994). The level of bureaucracy in organizations is often associated with pathological side effects such as red tape, punishment for non-compliance with prevailing rules, and extreme formalization of decision making (Bozeman and Scott, 1996). It is argued that while private organizations need only to obey the law and the regulatory agencies, public sector organizations tend to have their purposes, methods, and spheres of operation defined and constrained by law and legally authorized institutions to a much larger extent (Boyne et al., 2001; Rainey et al., 1976). These pathological side effects of bureaucracy leading to a stronger stability orientation of public sector organizations shape the level of control or job autonomy, the preparedness to take task related risks and readiness to change (Bozeman and Kingsley, 1998; Buchanan, 1975).

Another important facet – besides the stability and control versus flexibility and change orientation – most likely to constrain the level of experienced control over environment (i.e. internal locus of control), the tolerance toward risk-taking behaviour and openness to change concerns the effect of politicians (Ring and Perry, 1985). The power of top administrators is often limited as they are political appointees (Rogers, 1981). There is a constant pressure on these public managers to achieve quick results, so that these results can help to re-elect the politicians (Bozeman, 1993). The instability of political re-election, gives public agency managers little time to develop a power base from which they can effectively deal with insiders and engage in the long term planning necessary to get significant innovations underway (Rogers, 1981). Public agency managers are traditionally viewed as mere administrators of government policy. This perspective is also known as the 'politics-administration dichotomy': the role of politicians is to formulate policies and the bureaucracy is simply a neutral machine that implements these policies (Svara, 1998). This suggests that public managers have no objectives of their own, but simply follow the instructions of their political masters.

In summary, public organizations face constraints that arise from their stability orientation (bureaucracy, formalism and politics), which influence the perceived level of control over the organizational environment, the establishment of a risk-taking culture, and readiness to support change. In the light of this discussion, we formulate the following hypotheses:

Hypothesis 2: In the public sector people experience a lower level of internal locus of control in comparison to the private sector.

Hypothesis 3: In the public sector people experience a lower level of readiness to change (emotional involvement and commitment to change) in comparison to people in the private sector.

Hypothesis 4: In the public sector people experience a more risk averse work environment in comparison to their counterparts in the private sector.

4. METHOD

4.1 Sample

Respondents (N = 1,559) from a broad range of Belgian work organizations going through an organizational change process participated in this inquiry. A two stage sampling procedure was used. First, we conducted a stratified sample of public and private sector organizations from the metropolitan areas in Belgium. Second, a random sample of managerial and non-managerial personnel - ranging between 6 and 145 participants - was drawn from each organization. In total 56 organizations were included for analysis. Upper management confirmed that each of these organizations was experiencing important change processes. Approximately 63 per cent of the sample involved private sector organizations (n = 35) and 37 per cent (n = 21) public sector organizations. The group of private sector organizations is composed of manufacturing organizations (e.g. textile, metal, etc), pharmaceutical firms, financial institutions, and etc. The functions carried out by the private sector organizations include education, health services, environmental protection, and law enforcement. The respondents in each firm were managers and employees.

4.2 Data-collection instrument

A questionnaire was used for the collection of data in this study. For each organization the employees were asked to react to statements regarding the different individual (i.e. locus of control, readiness to change) and organizational aspects of change (i.e. participation in decision making and risk aversive reward orientation). Likert scales with a five point response format (1 = strongly disagree, 3 = neutral, 5 = strongly agree) were used in the questionnaire. The scales selected for this study have already proven their reliability, validity and practical relevance.

4.3 Measurement dependent, independent and control variables

4.3.1 Dependent variables.

With respect to locus of control, the seven-item locus of control scale was excerpted from Rotter (1966) and yielded good internal reliability (cronbach alpha = 0.72) (e.g. Capable people who fail to become leaders have not taken advantage of their opportunities).

The readiness to change variables (emotional involvement and commitment to change) were respectively gauged by scales developed by Metselaar (1997) and Boonstra et al. (1998). Emotional involvement consists of five items (e.g. I experience the change process as something positive) and has demonstrated excellent internal consistency (cronbach alpha = 0.81). The second aspect of readiness to change commitment to change comprises four items (e.g. I am willing to contribute to the change process) and has shown its reliability (cronbach alpha = 0.89).

To measure participation in decision-making (a seven item scale) and risk-taking reward orientation (a four item scale), we used the scales developed by Devos et al. (2002). Sample item measures for both constructs are: (1) 'Management takes into account the remarks of employees' (participation in decision-making) and (2) 'Employees are rewarded for searching new solutions' (risk taking reward orientation). The coefficient alphas were 0.82 and 0.72 for participation in decision-making and risk-taking reward orientation, respectively.

4.3.2 Independent variable.

The public-private sector distinction was based on an organizational factor: ownership of voting shares (Rainey et al., 1979; Wamsley and Zald, 1976). The nature of private ownership means that the company or organization is free to pursue its activities as long as it remains within the law of the nation. Formerly nationalized industries that are now fully privatized fall into this category, because the ownership of these enterprises is vested in the shareholders. Organizations that are fully controlled by the state and organizations of which the state is the largest shareholder are classified as public organizations.

4.3.3 Control variable.

The role of the hierarchical level at which an employee works can not be neglected (Buelens and Van den Broeck, 2007). According to the hierarchical differentiation theory cultural membership (managers – non-managers) results in psychological boundaries that affect the attitudes, beliefs, intentions and behaviours of members (Van Maanen and Barley, 1985). These psychological boundaries cause differences in readiness to change between hierarchical groups (Armenakis et al., 1993). Because the hierarchical position of respondents in organizations shapes their perception or perspective about change, this inquiry takes these effects into consideration. Managerial and non-managerial personnel often look at change from a different angle. Managers are responsible for the communication of change, the announcement of change, the introduction of change.

They often operate as change agents during times of change, whereas non-managerial personnel are often those who undergo and experience direct consequences of change. Strebler (1998) also confirms that executives and employees see change differently, with managers seeing change as an opportunity, for both the business and themselves, and employees typically seeing change as disruptive, intrusive and likely to involve loss.

Apart from the expected main effects of hierarchical position on all included variables of readiness to change, the interaction effects of sector and hierarchical position are also taken into account. Some indications from prior research show that managers in the private sector have different attitudes, intentions and motivations toward change when compared to managers in the public sector.

In comparing both sectors, several researchers found strong interaction effects between work motivation and management level (Baldwin, 1987; Jurkiewicz, 2000; Karl and Sutton, 1998; Rainey and Bozeman, 2000; Moon, 2000), implying that observed differences in the engagement or motivation to support change between sectors could also depend on hierarchical level.

5. EMPIRICAL RESULTS

In this section we present the results of the hypotheses we tested. To establish whether locus of control, readiness to change, participation in decision making and risk-taking reward orientation differ significantly for (1) the public and private sectors, (2) managerial and non-managerial personnel, (3) or the combination of both factors, five two-way ANOVAs were applied (see Table I).

Insert Table I About Here

5.1 General findings

The overall means, standard deviations and bivariate correlations measured are depicted in Table II. A first important finding to note is that on average the 1,559 respondents score significantly higher than the theoretical midpoints. This implies that the participants in this sample perceive control over their environment, consider their work environment as supportive toward risk-taking, perceive necessary personal involvement in the change process, and report a strong willingness and motivation to change. Thus, despite the fact that all employees in this sample are confronted with organizational change, they are quite motivated to support change. This finding is in alignment with Kotter (1995), who asserts that individual resistance is actually quite rare, and therefore raises serious questions about the almost universally accepted axiom that ‘people resist change’ (Metselaar and Cozijnsen, 1997).

Insert Table II About Here

A second outcome from this table is the strong correlation between emotional involvement and commitment to change ($r = 0.62$; $p < 0.001$). This is not entirely unexpected as both affect (i.e., emotional involvement) and cognition (i.e., commitment to change) are found to be in constant interaction. Research has demonstrated strong relations between emotions and cognitive appraisal structures (Frijda et al., 1989). It is unlikely that people can employ analytic thinking and come to a rational conclusion/decision without the guidance from affect (Damasio, 1994). Affective reactions often precede and guide the cognitive processes of information processing and judgment (Zajonc, 1980). Huy (1999) even asserted that emotional involvement reinforces employees' commitment to organizational change.

Finally, a third important finding involves the highly significant correlations of both components of readiness to change with locus of control, participation in decision making and risk-taking reward orientation (see Table II). These positive correlations indicate that organizations with a climate conducive toward change enhance the readiness to change among employees. In other words, work environments that emphasize the significance of participation, autonomy, and reward risk seeking behaviour are indeed more likely to demonstrate higher levels of readiness toward change. Although this inquiry was not developed with the intent to examine the relationship of these variables with readiness to change, the findings suggest the important role of a positive climate of change in developing readiness to change.

Insert Table III About Here

5.2 Individual facets of change

Although the findings of our analyses provide support for the postulated differences in internal locus of control between the public and private sector, some caution is needed when interpreting the main effects of sector (see Table I and III). The reason why we can not assert that employees in the private sector perceive more control over their personal environment when compared to employees in the public sector, is because it depends on the hierarchical position these employees occupy within the private or public sector. For a simple interpretation of this 2x2 first order interaction we refer to Figure 1a. The interaction is an ordinal interaction. This implies that only differences between public and private sector for 'locus of control' are noted when it concerns managerial personnel.

In other words, managers in the private sector experience a higher level of internal locus of control in comparison to public sector managers. No such differences are found for non-managerial personnel.

Insert Figure 1a About Here

Regarding both components of readiness to change, significant main effects for sector and hierarchical level are found. Similar to the findings for ‘locus of control’, the significant interaction effects of sector and hierarchical level disrupt a simple interpretation of the main effects (see Table I and III). Managers in the private sector report higher levels of emotional involvement and commitment to change than managers in the public sector. This is not the case when it concerns non-managerial personnel (see Figure 1b and 1c).

Insert Figure 1b and 1c About Here

5.3 Organizational facets of change

As is the case for the individual facets of change, a similar interaction effect between sector and hierarchical position is found for risk-taking reward orientation (see Figure 1d). In other words, only differences are noted when it concerns managerial personnel. Managers in the private sector experience a higher level of internal locus of control in comparison to public sector managers. No such differences are observed for non-managerial personnel.

Insert Figure 1d About Here

With respect to ‘participation in decision-making’ no significant difference is observed between the public and private sector. However in both sectors, managers report a higher level of participation in decision-making in comparison to respondents with a lower level in the chain of command.

6. DISCUSSION AND CONCLUSION

6.1 Public and private sector differences

This research indicates that a fairly broad cross section of people working for Belgian organizations undergoing change reported significant differences between public and private sector pertaining locus of control, risk-taking reward orientation and readiness to change (emotional involvement and cognitive commitment). In addition, no significant sector differences were found for 'participation in decision-making'. Keeping in mind the boundaries and limitations of this study, the findings add modified support to the descriptive literature which asserts differences between the private and public sectors. This study is in particular promising because research on differences in the internal context of private and public sector organizations is largely unknown (Boyne, 2002).

Although Boyne's seminal work (2002) provided limited support of sharp differences between public and private management, the differences that were found can partly help explain the differences we encountered. More specifically, the level of bureaucracy in the public sector is likely to be a major factor in the emergence of organizational climates that focus on stability and controllability. In other words, extensive formal control mechanisms (Rainey et al., 1976) and the lack of rewards or incentives for successful innovations, and the penalties for violation of established procedures (Fottler, 1985), which are all typical features of public agencies, are likely to constrain the openness to change, perceived level of control and risk-taking reward orientation.

6.2 Carefulness is necessary when interpreting differences between both sectors: the importance of hierarchical level

Differences between the public and private sector occur especially when it concerns the managerial personnel of both sectors. An interesting outcome is that managers in the private sector compared to their counterparts in the public sector, have a far more positive attitude toward change, have a higher locus of control, and are convinced of a higher involvement of their employees during the change process. In other words, managers in both sectors differ significantly when it concerns their attitudes, beliefs, and intentions toward change. A possible explanation for this important difference is that public sector managers in comparison to private sector managers have less space and authority to manage change: (1) authority of these managers is shared with democratically chosen political functionaries who

exert a decisive influence on the organization and its direction; (2) public managers operate in a fish-bowl, they always have to legitimate their purposes and actions towards multiple stakeholders before they can go with tasks such as organizational (re-) design, efficiency improvement, control systems, etc. (Kooiman and Eliassen, 1987). In brief, the implementation of the changes envisaged by plans, is a less well established public sector skill, partly due to the political nature of the public arena. Politicians react to events, however, from the moment on media attention moves away from the issue, the political will to carry through promised change easily evaporates (Buchanan and Boddy, 1992) and means that change is difficult to bring about.

An alternative explanation why managerial personnel in the private sector is more engaged towards change in comparison to the public sector is premised on the Attraction-Selection-Attrition perspective (Schneider, 1987). The main thesis in the ASA perspective is that organizations are the people in them: 'People make the place'. An important consequence from this theory as Holland (1976) puts it is: 'Vocational choice is assumed to be the result of a person's type, or patterning of types and the environment' (p. 533),... and 'the character of an environment emanates from the types of people which dominate the environment' (p. 534). In brief, Holland has shown that the career environments people join are similar to the people who join them. Vroom (1966) also demonstrated that people choose an organization in which to work, is often the environment which they believe will be most instrumental in obtaining their valued outcomes. Results from the Bellante et al. (1982) study demonstrate that risk-averse individuals tend to select jobs in organizations that offer lower wages, but in turn provide higher job stability (less financial risk). An important remark to be made in this context is that variable pay (higher risk) based on performance output, is used more frequently and makes up a larger share of the total income, especially when it concerns managerial functions in the private sector. Furthermore, a recent study also revealed that people who work in the private sector are driven by extrinsic monetary rewards (Buelens and Van den Broeck, 2006). This suggests that in our study different types of managers could be attracted by the different contextual conditions (e.g. variable pay or job stability) that characterize the public and private sector organizations. Managers that flow into the private sector probably have a stronger risk-taking propensity, whereas managers that flow into the public sector are more risk averse. According to the ASA theory, both types of managers will be more or less attracted by respectively the risk-taking oriented culture in the private sector or the risk-averse oriented culture in the public sector.

In short, the observed difference in perception of change between the managerial personnel of both sectors, could be due to the fact that people with a higher risk-taking propensity are more attracted by jobs in organizations that foster a risk-taking reward orientation (variable pay at cost of job stability).

6.3 Suggestions for future research

As each answer to a question in scientific research often results in the emergence of a new question, the findings of this inquiry also produce a new set of questions. Based upon our findings interesting avenues for future research involve: (1) Which factors (i.e. bureaucracy, formalism, politics, market driven character, etc.) shape the differences in the change aspects we noted for both sectors. For example, regarding the risk-taking reward orientation, an important question to be answered is whether it is formed and continues to exist due to differences in structural characteristics (i.e. bureaucracy, formalism etc.) or is shaped by an attraction-selection mechanism. In other words, are risk averse employees more attracted to and also more likely to be selected by public sector organizations than private sector organizations? If that is the case some important considerations have to be made with respect to the selection mechanism in the public sector. (2) Equally if not even more important, is to examine whether management procedures that are effective to induce change in private sector organizations also work in public sector organizations. (3) Finally, because this study did not distinguish between the nature of change, possible differences in type of change (first versus second order change) may be responsible for the differences we found. However, the chance that our sample of private and public sector organizations is biased for type of change, is slight due to the random sampling procedure.

6.4 Conclusion

To summarize, this study argues that there exist some differences between both sectors with respect to organizational change. The finding that public and private sector organizations are dissimilar in some respects is also in alignment with previous research. Quantitative research depicts differences in human resource management policies (Budwhar and Boyne, 2004), strategic management (Shortell et al., 1990), and decision making (Nutt, 2000). Carefulness, however, should be noted when generalizations are made about the differences and similarities across the whole private and public sector, since our study shows that differences often depend on the hierarchical level of the participants.

In the light of these differences, it is essential that the public administration and private management discipline are aware of the few empirical verifications of the public and private sector's distinguishing features. Also noteworthy, is that the discipline should realize that, regardless of those empirical verifications, the features may not impact a variable relevant to the effective operation of public and private firms. Therefore, organizational performance measures should also be included in future comparative research. In short, both disciplines (public and private management) should endeavor to ensure that the public-private comparative literature does not resort to becoming simply an intellectual exercise with little concern for resolution of practical problems.

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TABLE I

ANOVA for the effects of private and public sectors and for managerial and non-managerial personnel

	<i>Squares</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P</i>	<i>Partial eta-squared</i>
1. Locus of control						
<u>Main effects</u>						
Private/public (prv/pub)	13.93	1	13.93	40.22	<u>0.000</u>	0.028
Managerial/non-managerial (man/non)	2.90	1	2.90	8.38	<u>0.004</u>	0.006
<u>Two way interactions</u>						
pvr/pub x man/non	2.58	1	2.58	7.46	<u>0.006</u>	0.005
Residual variance	479.32	1,384	0.35			
Total variance	12,956.37	1,388				
2. Emotional involvement (RC)						
<u>Main effects</u>						
Private/public (prv/pub)	41.06	1	41.06	81.22	<u>0.000</u>	0.057
Managerial/non-managerial (man/non)	8.93	1	8.93	17.68	<u>0.000</u>	0.013
<u>Two way interactions</u>						
pvr/pub x man/non	5.99	1	5.99	11.84	<u>0.001</u>	0.009
Residual variance	674.81	1,335	0.51			
Total variance	17,159.96	1,339				
3. Commitment to change (RC)						
<u>Main effects</u>						
Private/public (prv/pub)	26.53	1	26.53	71.92	<u>0.000</u>	0.051
Managerial/non-managerial (man/non)	3.84	1	3.84	10.42	<u>0.001</u>	0.008
<u>Two way interactions</u>						
pvr/pub x man/non	7.57	1	7.57	20.53	<u>0.000</u>	0.015
Residual variance	493.88	1,339	0.37			
Total variance	23,695.75	1,343				
4. Risk-taking reward orientation						
<u>Main effects</u>						
Private/public (prv/pub)	37.96	1	37.96	86.00	<u>0.000</u>	0.058
Managerial/non-managerial (man/non)	9.74	1	9.74	22.07	<u>0.000</u>	0.016
<u>Two way interactions</u>						
pvr/pub x man/non	9.11	1	9.11	20.63	<u>0.000</u>	0.015
Residual variance	614.02	1,391	0.44			
Total variance	14,174.25	1,395				
5. Participation						
<u>Main effects</u>						
Private/public (prv/pub)	1.50	1	1.50	3.31	0.069	0.002
Managerial/non-managerial (man/non)	22.13	1	22.13	48.84	<u>0.000</u>	0.034
<u>Two way interactions</u>						
pvr/pub x man/non	0.32	1	0.32	0.67	0.404	0.001
Residual variance	620.73	1,370	0.46			
Total variance	17,563.76	1,374				

TABLE II**Means, standard deviations and correlations (N = 1,559)**

	M	SD	1	2	3	4	5
1. locus of control	2.94	.59	1				
2. participation	3.47	.70	.18***	1			
3. risk taking reward orientation	3.10	.69	.34***	.41***	1		
4. emotional involvement	3.51	.76	.20***	.30***	.30***	1	
5. commitment to change	4.15	.62	.15***	.27***	.26***	.62 ***	1

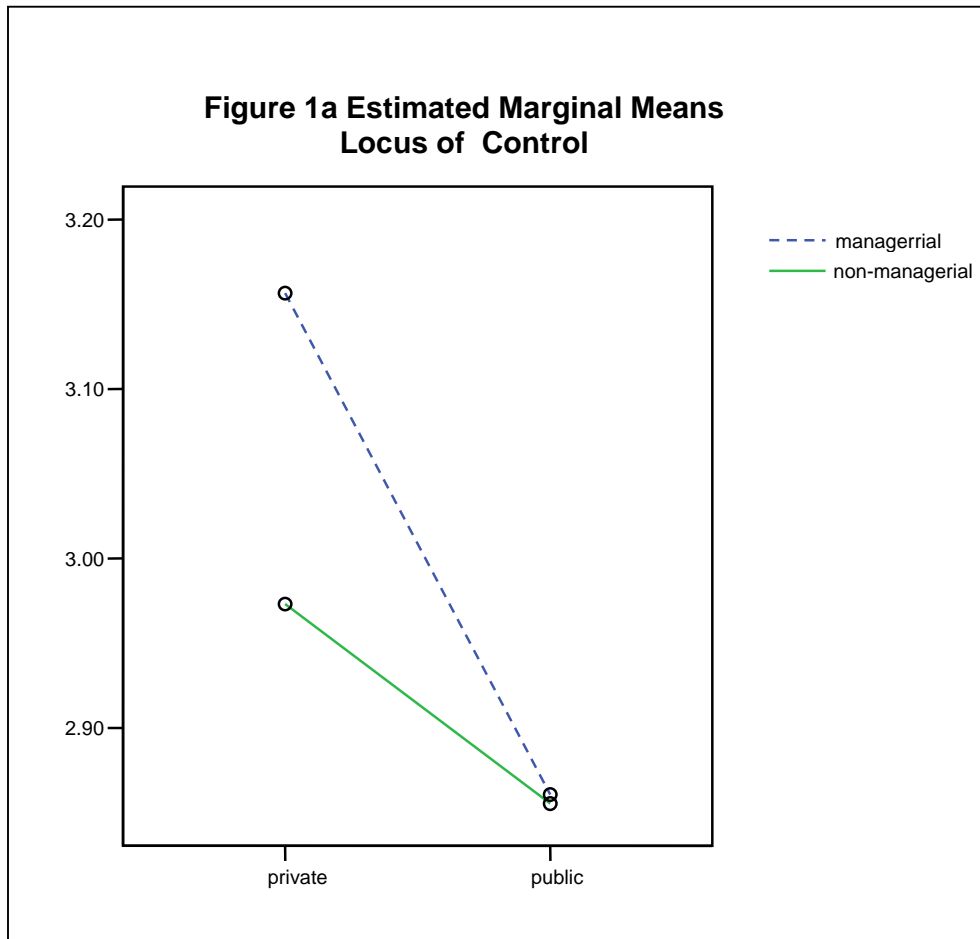
*** p < .001

TABLE III

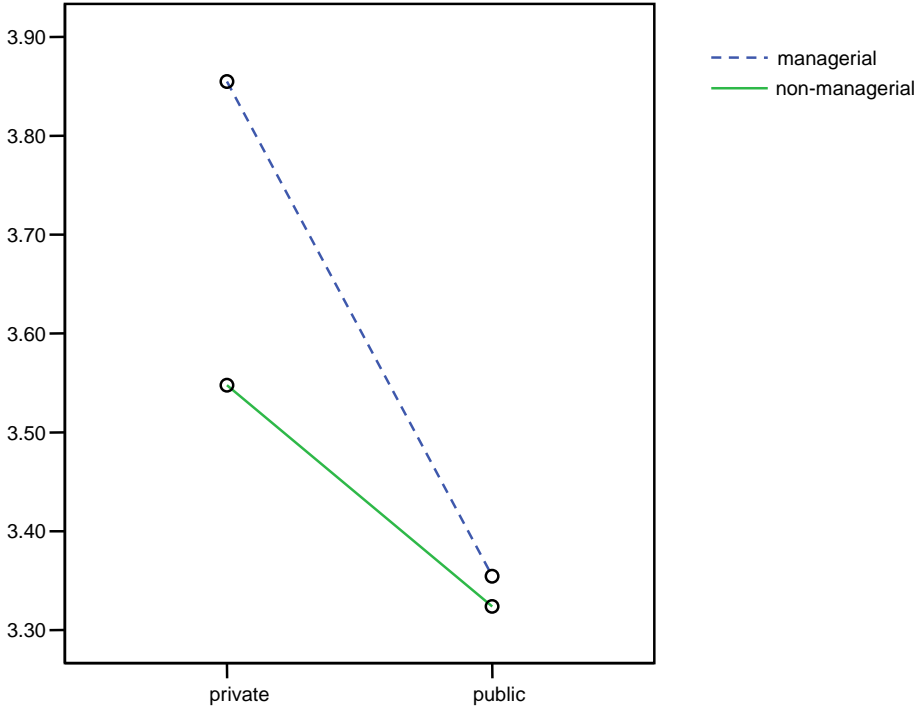
Means and standard deviations for the effects of private and public sectors and for managerial and non-managerial personnel

	<i>Managerial personnel (n = 930)</i>		<i>Non-managerial personnel (n = 629)</i>	
	M	SD	M	SD
1. Locus of control				
Private	3.157	0.617	2.973	0.624
Public	2.861	0.554	2.855	0.563
2. Emotional involvement				
Private	3.855	0.645	3.548	0.672
Public	3.355	0.774	3.324	0.707
3. Commitment to change				
Private	4.452	0.559	4.190	0.591
Public	4.006	0.652	4.050	0.591
4. Risk-taking reward orientation				
Private	3.467	0.616	3.127	0.702
Public	2.959	0.673	2.953	0.644
5. Participation				
Private	3.571	0.630	3.340	0.740
Public	3.671	0.632	3.377	0.692

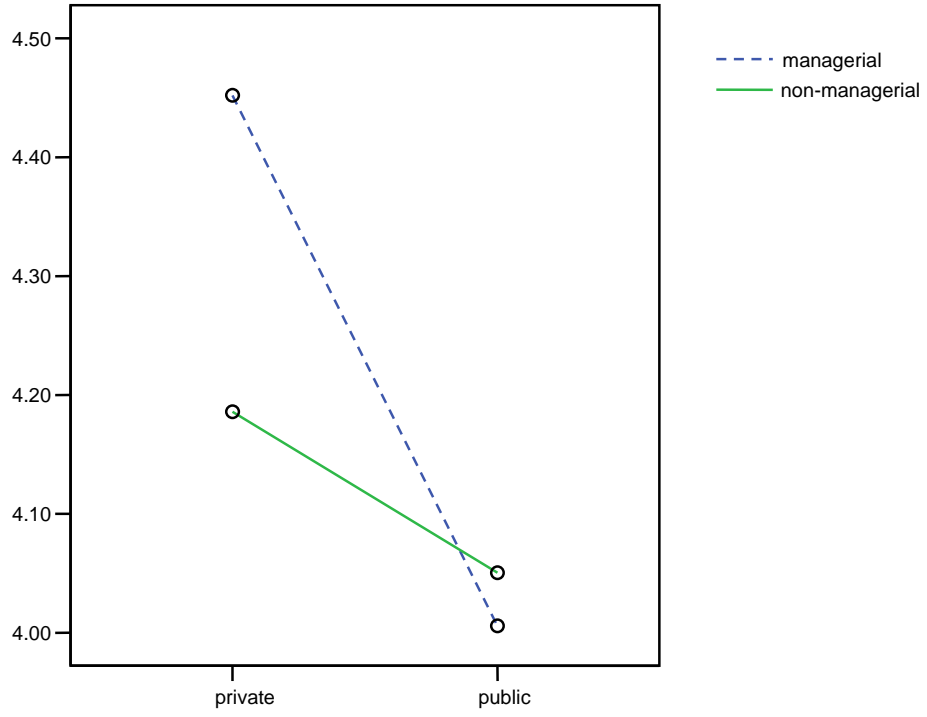
FIGURES



**Figure 1b Estimated Marginal Means
Emotional Involvement**



**Figure 1c Estimated Marginal Means
Commitment to Change**



**Figure 1d Estimated Marginal Means
Risk-Taking Reward Orientation**

