Public v. Private Perceptions of Formalization, Outcomes, and Justice

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ABSTRACT

In this study we used responses from 174 public-sector and private-sector employees to assess differences in perceived job and communication formalization, emphasis on objective-oriented results, perceptions of distributive and procedural justice, and employees' satisfaction with their immediate supervisors. Overall, public employees perceived similar job and communication formalization and emphasis on results, but they held weaker distributive and procedural justice perceptions and were less satisfied with their supervisors. We also discuss other results, implications, and limitations.

Scholars continue to debate the extent to which public and private organizations actually differ (Rainey 1997). Researchers have developed a variety of frameworks for highlighting different aspects of organizational structures and processes (e.g., Dahl and Lindblom 1953; Benn and Gaus 1983; for overviews, see Lan and Rainey 1992; Perry and Rainey 1988; Mitnick 1980). Others have delineated the traits or characteristics that are unique to public organizations and that focus on rules and job formalization, hierarchy, inefficient degree of bureaucratization (Pugh, Hickson, and Hinings 1969; see also Meyer 1982), and greater amounts of red tape (e.g., Bozeman 1993; Rainey, Pandey, and Bozeman 1995). Some investigations yield evidence that public organizations are more rule-oriented and inefficient (e.g., Perry and Porter 1982; Warwick 1975), while others suggest the opposite (e.g., Bozeman and Rainey 1998; Rainey, Pandey, and Bozeman 1995; for a review of both perspectives, see Perry and Rainey 1988).

Traditionally, public organizations have multiple conflicting goals, serve multiple constituencies, and are not tied to market
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incentives. Some have argued that these factors have led to inflexible, bureaucratic structures coupled with particularist personnel practices (for a review, see Bozeman 1987; Meyer 1982; on a related theme, see Pearce, Branyiczk, and Bigley 1997). Such organizations are characterized by rigid rule structures, formalized job guidelines and responsibilities, formal means of communication, clear division of labor and hierarchical control, civil service systems, inflexible reward systems, strict reporting requirements, regulations, and constraints (Weber 1947; Meyer 1982; Perry and Porter 1982; Rainey 1983; Perry and Rainey 1988; Robertson and Seneviratne 1995). By comparison, private-sector organizations are driven primarily by market preferences, which dictate flexibility and responsiveness in both process and outcomes for survival. In theory then, private-sector organizations are likely to be less encumbered by rules and regulations. In addition, organizational effectiveness is more readily measured in terms of efficiency and profitability in private-sector organizations (Bozeman 1987 and 1993).

Differences in organizational structures associated with public- versus private-sector organizations may have implications for organizational justice. Research has demonstrated that formal organizational structures favorably impact organizational justice perceptions (e.g., Leventhal 1980). Organizational justice is a perceptual and attributional process by which an individual evaluates what he or she receives as a result of organizational membership in terms of a criterion of personal deserving (Egan 1993). Conceptual and empirical evidence point to two related but independent dimensions of organizational justice perceptions: distributive justice and procedural justice. Distributive justice focuses on employees' perceptions about whether or not they receive the outcomes they believe they deserve. Procedural justice focuses on whether or not employees perceive as fair the process by which they received the outcomes. Each of these dimensions affects individual attitudes and behaviors such as job satisfaction (Alexander and Ruderman 1987), organizational commitment (Folger and Konovsky 1989), task performance (Earley and Lind 1987; Konovsky and Cropanzano 1991; Egan 1993), organizational citizenship behavior (Niehoff and Moorman 1993; Egan 1993; Moorman 1991; see also Brockner and Siegel 1996), and organizational retaliatory behavior (Skarlicki and Folger 1997).

In this study, we continue the inquiry into whether and to what degree public and private organizations differ. We do so by focusing on public and private employees' perceptions of selected organizational control strategies (elements of general formalization), procedural and distributive justice, and the subsequent impact these perceptions have on employees' satisfaction with

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their supervisors. If the general formalization patterns do not
der differ, then these organizational structural elements may not
influence distributive and procedural justice perceptions differ-
ently in public organizations than they do in private organiza-
tions, as previous research has implied. Hence, the results of this
study will contribute to knowledge regarding the relationship
between general formalization and perceptions of justice in the
public and private realms.

Scholars debate whether public and private organizations
differ by definition—core approach—or only by degree, along
specific dimensions—dimensional approach (Bozeman 1987;
Bozeman and Bretschneider 1994). The core approach allows that
publicness is a single, discrete attribute, while the dimensional
approach argues that organizations—such as government, indus-
try, nonprofit, government contractors, and so on—are public
according to the degree to which external public authority
impacts them (Bozeman and Bretschneider 1994). Following Lan
and Rainey (1992, 8), for the purposes of this study we define
public organizations as city governments, agencies owned by
the government, and entities funded with public monies. By compari-
son, private organizations (a.k.a. industry) are those entities that
are owned by private individuals and that receive little or no
funding through government contracts. In so defining, we avoid
the above debate by directly comparing city government employ-
ees to employees in profit-oriented, publicly traded organizations
that, in total, receive little government funding.

HYPOTHESES

Organizational Control Strategies

Organizational controls help to align employees’ actions
with firms’ interests (Tannenbaum 1968; Snell 1992, 293) and
include behavioral and output controls (Rowe and Wright 1997;
Snell 1992; Eisenhardt 1985; Ouchi 1979; Ouchi and Maguire
1975). Behavior control specifies how something is to be
accomplished and embodies centralization, articulated procedures,
close supervision, and behavioral appraisal (Ouchi 1979; Eisen-
hardt 1985; Snell 1992; Rowe and Wright 1997). When it is
difficult to standardize actions a priori or when means-end
relationships are not well understood, behavior control is not
functional because appropriate work behavior is unknown (Snell
1992). In these cases, supervisors can use output control strate-
gies. Output control specifies what is to be accomplished; it
enables decentralization and encompasses results criteria and
performance-reward links (Ouchi 1979; Eisenhardt 1985; Snell
1992).1

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1A third type of control, clan control, is
not examined here. Clan control embraces
selective staffing, training, development,
and extensive socialization, which creates
shared values and beliefs (Ouchi 1979 and
1980).
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Empirical research and theory argue that public organizations, compared with private ones, rely heavily on behavior strategies to control employees. Public organizations emphasize rules, regulations, formal job guidelines, and other rigid processes (e.g., Downs 1967; Holdaway et al. 1975; Warwick 1975; U.S. Office of Personnel Management 1979; Rainey 1979 and 1983; Perry and Porter 1982; Perry and Rainey 1988; Baldwin 1990; Lan and Rainey 1992; Bozeman, Reed, and Scott 1992; Rainey, Pandey, and Bozeman 1995). Baldwin (1990, 10-11) reviews several underlying reasons this may be true. Extensive rules and regulations exist to ensure that government programs reflect public will and protect peoples’ rights. These rules and regulations arise both from dividing authority among three separate branches (executive, legislative, and judicial) designed to prevent abuses of power, and from federal emphasis on civil service rules. Moreover, these rules and regulations that create red tape decrease employees’ uncertainty about how they should behave (e.g., Downs 1967).

Despite the widespread view that public organizations have more rules and regulations, however, Buchanan (1975) discovered that public managers perceived less organizational formalization. Baldwin (1990) attributed Buchanan’s unusual finding to the failure to distinguish between internal and external red tape. Internal red tape refers to “the constraint that is self-imposed by an agency or a firm”; external red tape refers to “the constraint imposed by government agencies other than itself” (Baldwin 1990, 8). Hence, even though in Baldwin’s study public managers reported higher levels of all types of red tape, Baldwin suggests that Buchanan’s findings may be attributable to private managers perception of more external red tape in their organizations. In sum, the predominant view persists—public organizations are more structurally formal.

This formalization can take at least two forms: job formalization and communication formalization. Job formalization refers to the standardization of the work process. Communication formalization refers to the structure of the interpersonal communication process between supervisors and subordinates. When it is more difficult to formalize jobs and/or communication, organizations may rely on more results oriented (i.e., output control oriented) performance evaluation systems.

Research demonstrates that public managers have a greater need to control their employees because they are less subjected to external sources of accountability, such as the quality of service provided (Perry and Porter 1982; Rainey, Pandey, and Bozeman 1995). Other research suggests that, compared with private

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employees, public employees are more concerned with status than with money (Warwick 1975; ref. in Perry and Porter 1982), government managers perceive a weaker relationship between pay and performance (Ingraham 1993; Kellough and Lu 1993; Perry, Petrakis, and Miller 1989; Perry 1986; Rainey 1979 and 1983; Buchanan 1974 and 1975), are less oriented towards pecuniary gains (Rainey 1983; Rawls, Ullrich, and Nelson 1975; Kilpatrick, Cummings, and Jennings 1964), and, in general, doubt that good performance leads to promotion (Rainey 1979; Rainey, Pandey, and Bozeman 1995). For example, Rainey, Pandey, and Bozeman found that because managers perceive little relationship between pay and performance, they issue more rules to exert greater control over employees’ behavior. In sum, the prevailing view is that, compared with private managers, public managers rely less on an incentive system linked to pay and more on job formalization to promote and reward employees.

Hypothesis 1: Public-sector employees will report more job formalization than will private-sector employees.

None of this research suggests that public organizations depend more or less on evaluations tied to outcome, however. Both public- and private-sector supervisors are likely to resort to specified outcomes to manage out-of-sight employees even if these same outcomes are not linked directly to pay. Historically, management by objectives (MBO) first appeared in the public sector in the 1930s, and its conceptual and practical development may owe more to governmental than to private experience (Drucker 1954; Sherwood and Page 1976). Part of the MBO process requires managers to provide ongoing feedback to employees to let them know how they are doing (Carroll and Tosi 1973). In this way, MBO entwines evaluations based on results with supervisors’ observations and, in its essence, it requires managers and employees to set objectives and employees to meet these objectives. However, the MBO process rests largely on supervisors’ evaluations rather than on objective, written records of results. Therefore, we predict the following:

Hypothesis 2: Public-sector employees will report less use of objective, written records of results compared to supervisors’ evaluations to judge performance than will private-sector employees.

In a study of five executive managers, Mintzberg (1972) found that contact between public managers and their subordinates was more structured and formalized, for example, through formal meetings. Ten years later, Kurke and Aldrich (1983) replicated and supported Mintzberg’s study and findings. In

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particularly, Kurke and Aldrich found that managers in high-tech manufacturing spent less time in meetings than did a public school superintendent; bank managers spent the least time in scheduled meetings; and, of the two public managers studied, the school superintendent spent more time in large meetings than did the hospital administrator. While Kurke and Aldrich discovered, in contrast to Mintzberg's findings, that the hospital administrator spent less time in formal meetings than even the high-tech manager, they attributed this discrepancy to the hospital's smaller size; that is, they concluded that the larger the organization, the more time managers spent in formal communication. In addition, they suggested that the bank manager spent less time in meetings because the banking industry was changing so quickly. In sum, the results of these two studies suggest that managers in large, public organizations will spend more time formally communicating than will managers in private, fast-moving industries.

Hypothesis 3: Public-sector employees will report more formal communication than will private-sector employees.

ORGANIZATIONAL JUSTICE HYPOTHESES

Employees seek to ensure that they receive outcomes they believe they deserve (distributive justice) and have voice in the process by which these outcomes are determined (procedural justice).

Distributive justice. Theories of work motivation (Porter and Lawler 1968; Adams 1963) suggest that increasing evaluation based on clear and measurable performance outputs should enhance the individual's belief that one is rewarded based upon an equitable assessment of one's work efforts and contributions. Because public organizations often are noted for tenuous links between performance and rewards (e.g., Kilpatrick, Cummings, and Jennings 1964; Rainey 1979 and 1983; Buchanan 1974 and 1975; Rawls, Ullrich, and Nelson 1975), we predict that public employees will hold weaker distributive justice perceptions than will industry employees.

Hypothesis 4: Overall, public-sector employees will perceive less distributive justice than will private-sector employees.

Procedural justice. Where distributive justice focuses on outcomes received, procedural justice diagnoses the process by which these outcomes are distributed: Is the process fair? Does it ensure that I will receive the outcomes I believe I deserve? Was my input requested and valued? Procedural justice refers to

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perceptions related to structural characteristics of the formal and informal organizational systems, policies, and procedures used to generate valued organizational outcomes (e.g., the performance appraisal system and promotion policies). When rules are standardized and formalized and applied consistently (consistency rule), perceptions of bias diminish. Additionally, perceptions of procedural justice are enhanced when members have regular channels for questioning whether the rules themselves are inherently just—correctability and ethically rules (Leventhal 1980).

Institutionalized, standardized, and formal decision making and communication systems serve as an indication that decisions made in the organization are not the result of idiosyncratic individuals; rather they are made in an open, unbiased, and consistent manner (Thibaut and Walker 1975; Leventhal 1980). Therefore, rules and regulations attributed mostly to public organizations should enhance procedural justice perceptions because they ensure democratic processes and accountabilities (e.g., Downs 1967; Kaufman 1977; Goodsell 1985). For example, civil service rules ensure that the public employee is less vulnerable to capricious personnel decisions (Campbell 1978), while, in general, red tape assures employees that they will be treated fairly and equitably in the distribution of rewards and penalties (Baldwin 1990). Indeed, when mechanisms to monitor and control employee behavior become standardized and formalized, control can be proffered by way of offices and roles rather than by individuals; goals are then clearly specified and embedded in the organization itself rather than in fluctuating relationships, enabling more opportunities for perceived objective rules to govern relationships (Scott 1992).

Hypothesis 5: Overall, public-sector employees will perceive more procedural justice than will private-sector employees.

Supervisor/Employee Satisfaction. Finally, in line with Tsui’s (1994) mutual responsiveness framework, employees who hold favorable distributive and procedural justice perceptions should be more satisfied with their supervisors. Mutual responsiveness describes an environment in which organizational members meet each other’s expectations or are responsive to one another regarding each one’s responsibilities and roles. Employees who believe that they receive the outcomes they deserve and who believe the process is fair will in turn be satisfied with their supervisors.

As we argued above, we expect public-sector employees to hold stronger procedural justice perceptions and private-sector

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employees to hold stronger distributive justice perceptions. Accordingly, we argue here that for public-sector employees, procedural justice will be a more important contributor to supervisor satisfaction; for private-sector employees, distributive justice will be more important.

Hypothesis 6a: As compared with private-sector employees, public-sector employees perceive that procedural justice will contribute more to satisfaction with their supervisors.

Hypothesis 6b: As compared with public-sector employees, private-sector employees perceive that distributive justice will contribute more to satisfaction with their supervisors.

METHODS

Sample

As part of a larger study, we accessed a convenience sample of public and industry employees through a national telecommuting trade association. Our final sample consisted of 206 public- and 210 private-sector employees from two public- and five private-sector organizations. The public-sector organizations included one California city government and one not-for-profit California government agency that mediated relationships between the city government and industry. The private-sector organizations consisted of two technology, two leisure, and one financial services company, whose respondents were located either in North Carolina, California, or Arizona. Exhibit 1 shows the size in number of employees of the organizations, each organization’s primary function, and the range of respondents’ job categories. The respondents represent a wide range of roles within each organization.

Our surveying of 426 employees in seven organizations makes this project, in effect, a quantitative case study (Rainey 1983). Much of the area of research on which we focus in this article has been built on small samples (e.g., Rainey 1983; Rainey, Pandey, and Bozeman 1995). Incremental additions with the samples well described which we include in this article should contribute to the already existing set of findings and provide as much value as traditional case studies and qualitative research.2

For the purposes of the larger study, we targeted employees who telecommute, matching the sample on job type with their colleagues who did not telecommute. (For more on this focus of

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2We thank the reviewer who made this point.
### Exhibit 1

Organization Size, Function, and Respondent Job Categories

<table>
<thead>
<tr>
<th>Representative job categories for respondents</th>
<th>City Government (n = 86)</th>
<th>Nonprofit City Agency (n = 16)</th>
<th>Leisure Company 1 (n = 22)</th>
<th>Leisure Company 2 (n = 10)</th>
<th>High Technology Company 1 (n = 10)</th>
<th>High Technology Company 2 (n = 26)</th>
<th>Financial Services Company (n = 5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational size (employees)</td>
<td>9,921 California</td>
<td>406 California</td>
<td>375 U.S. only</td>
<td>2,000 U.S. only</td>
<td>160,000+ worldwide</td>
<td>100,000+ worldwide</td>
<td>80,000+ worldwide</td>
</tr>
<tr>
<td>Organization's primary function</td>
<td>Large city government</td>
<td>Not-for-profit public IT services provider</td>
<td>Leisure travel</td>
<td>Leisure travel</td>
<td>Analyzes, designs, implements, manages integrated voice, data, network products</td>
<td>Designs, manufactures, services electronic products and systems</td>
<td>Credit card services, investment counseling, international banking</td>
</tr>
</tbody>
</table>

Accountant; Sales; Clerical; Engineer; Planner; Property agent; Management analyst; Biologist; Building inspector; Data system coordinator; Deputy director; Economic development specialist; Contract specialist; Librarian; Lawyer; Zoning investigator

Sales rep; Sales; Customer service; Agent reservations; Sales; buyer; Director; Direct install manager; Tech writer; Vice president; Engineer; Sales rep

Accountant; Administration clerical; Analyst; Engineer project manager; Attorney; Sales
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the study, see Kurland and Egan forthcoming.) To maintain confidentiality of employees, our company contacts required that we mail them the surveys, which they then distributed to employees. Seventy-two private-sector employees and 102 public-sector employees returned completed, usable surveys for response rates of 35 percent and 49 percent, respectively, and an overall response rate of 42 percent.

Public employees responding had worked in their current jobs on average for 4.85 years and their current organizations for 9.76 years; on average industry employees had worked in their current jobs for 4.48 years and their current organizations for 8.32 years. On average, public employees were 41.18 years old and industry employees were 42.09 years old. Fifty-nine percent of the public employees and 73 percent of the industry employees who responded were female. Respondents in both groups had on average between 3.5 and 4 years of post-high school education. Ethnicity of the sample broke down as follows: public-sector employees—69 percent white, 8 percent Hispanic, 9 percent Asian, 4 percent African American, 4 percent Arab-Iranian, 6 percent other; private-sector employees—91 percent white, 2 percent Hispanic, 3 percent Asian, 2 percent African American, 2 percent Arab-Iranian. We recorded twenty-four job types in the public sample, with manager (22 percent), support (13 percent), professional (12 percent), technical (10 percent), and administrative services (8 percent), accounting for 65 percent of the respondents. In the private-sector sample we recorded fifteen job types with sales (44 percent), support (10 percent), and manager (7 percent), accounting for 61 percent of the respondents.

Measures

To measure the use of outcome-based evaluations, we used a five-point scale anchored at one end with “My supervisor’s evaluation is of greatest importance” and at the other with “Written records of results are of greatest importance.” For all other variables, we relied on Likert-type, multi-item scales drawn from well-validated measures (see below). These scales are in the appendix.

Job formalization consisted of four items we developed based on a conceptual definition of formalization we drew from Inkson, Pugh, and Hickson (1970) and Hage (1974). Outcome-based evaluation consisted of eight items adapted from Ouchi (1977), Greenhaus, Parasuraman, and Wormley (1990), and Touliatos et al. (1984) and measured the extent to which records of output, rather than supervisor’s observations of behavior, formed the basis for evaluations. Communication formalization

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consisted of two items adapted from Burgoon and Hale (1987 [alpha = .82]). Distributive justice consisted of the six items from Price and Mueller’s (1986) Distributive Justice Index. Procedural justice consisted of six items using procedural characteristics drawn from Leventhal (1976) and developed by Moorman (1991) and Niehoff and Moorman (1993). To measure employees’ satisfaction with their supervisors, we drew two items from Hackman and Oldman’s (1980) Job Diagnostic Survey and seven items, which factored and related to satisfaction with their supervisors, from Wayne’s research on leader-member exchange (Wayne and Ferris 1990; Wayne and Green 1993; Liden, Wayne, and Stilwell 1993).

RESULTS

By using SPSS*, the means, standard deviations, Pearson correlations, and Cronbach alphas were computed for the independent and dependent variables (exhibit 2). We used independent sample T-tests to test for differences between public- and private-sector employees’ reports of job formalization, formal communication, outcome-based performance evaluations, procedural justice, and distributive justice perceptions (hypotheses 1, 2, 3, 4, and 5). The data then were split to run separate regression analyses to examine relationships between public employees’ justice perceptions and their satisfaction with their supervisors (hypothesis 6a) and between industry employees’ justice perceptions and their satisfaction with their supervisors (hypothesis 6b). In the regression analyses, we controlled for age, education, ethnicity, gender, job type, job years, organization identity, and years in organization.

Results suggest that public employees did not perceive higher levels of job formalization (hypothesis one),
### Exhibit 3
**T-tests of Public-Private Differences**

<table>
<thead>
<tr>
<th>Variables</th>
<th>t (df)</th>
<th>Public Sector</th>
<th>Private Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outcome evaluations</td>
<td>-0.699 (166)</td>
<td>2.512 [.79] (97)</td>
<td>2.598 [.76] (71)</td>
</tr>
<tr>
<td>Formal communication</td>
<td>1.187 (173)</td>
<td>3.814 [.99] (102)</td>
<td>3.630 [1.03] (73)</td>
</tr>
<tr>
<td>Job formalization</td>
<td>-0.056 (168)</td>
<td>3.542 [.95] (101)</td>
<td>3.551 [1.04] (69)</td>
</tr>
<tr>
<td>Distributive justice</td>
<td>-1.717 + (172)</td>
<td>2.995 [1.07] (102)</td>
<td>3.278 [1.07] (72)</td>
</tr>
<tr>
<td>Procedural justice</td>
<td>-2.461* (167)</td>
<td>2.997 [.90] (98)</td>
<td>3.319 [.75] (71)</td>
</tr>
<tr>
<td>Satisfaction with supervisor</td>
<td>-2.035* (169)</td>
<td>3.596 [.83] (99)</td>
<td>3.863 [.87] (72)</td>
</tr>
</tbody>
</table>

*p < .05; +p < .10

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### Exhibit 4
**The Relative Contribution of Procedural Justice and Distributive Justice to Public- and Private-Sector Employees’ Satisfaction with Their Supervisor**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Public-Sector Employees*</th>
<th>Private-Sector Employees*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Controls</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>-.130</td>
<td>-.024</td>
</tr>
<tr>
<td>Education</td>
<td>-.035</td>
<td>.039</td>
</tr>
<tr>
<td>Ethnicity</td>
<td>-.095</td>
<td>.003</td>
</tr>
<tr>
<td>Gender</td>
<td>.005</td>
<td>-.093</td>
</tr>
<tr>
<td>Job type</td>
<td>-.145</td>
<td>-.029</td>
</tr>
<tr>
<td>Job years</td>
<td>.144</td>
<td>-.081</td>
</tr>
<tr>
<td>Organization ID</td>
<td>.046</td>
<td>-.142</td>
</tr>
<tr>
<td>Organization years</td>
<td>-.066</td>
<td>.057</td>
</tr>
<tr>
<td>Independent Variables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distributive justice</td>
<td>.302**</td>
<td>.273</td>
</tr>
<tr>
<td>Procedural justice</td>
<td>.238*</td>
<td>.416*</td>
</tr>
<tr>
<td>Model R²</td>
<td>.314</td>
<td>.359</td>
</tr>
<tr>
<td>Model F</td>
<td>3.302***</td>
<td>2.466*</td>
</tr>
<tr>
<td>Degrees of freedom</td>
<td>10, 72</td>
<td>10, 44</td>
</tr>
</tbody>
</table>

*Standardized coefficients are provided. Significance levels (two tailed): ***p < .001; **p < .01; *p < .05
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communication formalization (hypothesis two), or lower use of outcomes to evaluate performance (hypothesis three) than did industry employees. Therefore, we find no support for our first three hypotheses (exhibit 3).

We found moderate support for hypothesis 4—overall, public employees hold weaker distributive justice perceptions. We found strong support that public employees, as compared with industry employees, hold weaker procedural justice perceptions—the opposite of what we had predicted in hypothesis 5. Our results of the tests of hypotheses 6a and 6b were also surprising. The result of the test for 6a suggests that distributive justice perceptions contributed more than did procedural justice perceptions to public employees' satisfaction with their supervisors, although both forms of justice perceptions contributed significantly. The result of the test for 6b reveals that only procedural justice perceptions contributed significantly to industry employees' satisfaction with their supervisors (exhibit 4).

Lastly, although not formally hypothesized, we tested whether public employees were more or less satisfied with their supervisors compared with private employees. Our results show that public employees were significantly less satisfied. Below, we discuss implications and limitations of these findings.

DISCUSSION AND LIMITATIONS

This study adds fuel to the debate about whether and to what degree public organizations differ from private organizations. Here we focus on differences between job formalization, formal communication, and results-oriented performance evaluation and also on public and private employees' organizational justice perceptions and satisfaction with their supervisors.

We found no differences between public and private employees' perceptions of job formalization and communication formalization, which adds to the puzzle. Are public organizations more structurally formal than private organizations? For example, research such as the Aston studies in England (Pugh et al. 1968; Pugh, Hickson, and Hinings 1969) revealed that contrary to the authors' predictions, they found no differences in formalization between the public and private organizations in their sample.3 Elsewhere, organization theorists have considered such variables as size, environment, and task more important in determining structure, including formalization (Rainey 1997). Hence, our findings, or lack of findings, further reinforce these earlier conclusions. Stated differently, the general interpretation that higher general formalization or more intensive rule structures

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3Indeed, Pugh et al. (1969) questioned the utility of distinguishing between public and private, prompting them to develop a sevenfold taxonomy of organization structures. They labeled these seven structures: full bureaucracy, nascent full bureaucracy, workflow bureaucracy, nascent workflow bureaucracy, pre-workflow bureaucracy, personnel bureaucracy, and implicitly structured organization.
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exist in public organizations is not supported in our empirical research, even though public managers may face more intense rule constraints in some ways.4

Our findings may be limited because of the type of formalization upon which we chose to focus. We specifically tested for job and communication formalization and found no differences. Other researchers did find differences between public and private organizations, though, when they examined the degree to which personnel rules constrain the administration of pay, firing, and merit-based promotion (e.g., Rainey 1983 and 1997; Rainey, Pandey, and Bozeman 1995; Bozeman and Bretschneider 1994; Marsden, Cook, and Knoke 1994). Additional research needs to focus on these and other elements of formalization.

Moreover, our results may have been influenced by a number of other factors. First, we collected data from a nonrandom sample—a small number of public and private organizations and employees—and we had little access to examine nonresponse data, which may limit the generalizability of the findings. Second, we focused on only three types of behavior and output control strategies, and the alpha for the outcome-based measure was lower than desired. A more extensive inductive search is warranted in subsequent research. Third, we used general, albeit well-validated, measures of distributive and procedural justice. As designed, the measure can draw in considerations of how the employee is treated inside the organization, but it also may capture perceptions influenced by external politics, union relations, or general cutbacks that are made for political and budgetary reasons with little concern for employees. This limitation of the organizational justice measures underscores the need for more analysis of other potential contributors to organizational justice perceptions.

Notwithstanding these limitations, as predicted, public employees perceived lower levels of distributive justice, compared with industry employees. With a more tenuous link between pay and performance in public organizations than in industry, it would have been startling had we found anything else. Our findings may show that little money is available to public employees for pay increases of any kind, or that managers are not able to set pay directly (Ban 1995). The attempt to emulate pay for performance practices in the industry sector may contribute to deep cynicism and perceptions of gross injustices if the money for such performance is not available, if there is not enough to go around, or if managers are not empowered to distribute it (e.g., Pearce and Perry 1983).5

4We thank the reviewer who made this point.

5We thank Terry Cooper for raising two of these possibilities.

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Further, we were surprised to find that given that more industry respondents identified themselves as in sales than in any other job, we found no difference between industry supervisors’ and public supervisors’ use of results-oriented evaluation strategies—even though the use of quotas and commission is common to the sales profession. This may reflect an attempt by managers in public-sector organizations to adopt practices in order to appear isomorphic with the private-sector organizations that are held up as standard bearers of efficiency and effectiveness. This is an interesting condition, given that recent studies of services that have undergone privatization suggest that the market may not be as efficient and effective as proponents of privatization assert.

Moreover, in contrast to our prediction, public employees held weaker procedural justice perceptions than did industry employees. These findings reflect the debate we cited earlier, that public organizations have not realized the ideal bureaucracies that Weber described. One might argue, in fact, that modern public organizations are tyrannies of petty bureaucracy and are vastly less fair than are industry organizations, especially with respect to policies and procedures. These policies and procedures—red tape—are ends in themselves, mere facades, that do not ensure fairness. Nor is there any counter power located in good performance, the elusive pay-performance link (Perry 1986). Hence, the supervisor’s power expands and red tape assumes more salience.

Pearce et al. (1997), Ban (1995), and Thompson (1975) support this reasoning. Pearce et al., in their study of managers in former communist countries, suggest that when bureaucratic procedures are merely ritualistic, the actual system becomes highly idiosyncratic and the antithesis of procedurally fair. Similarly, both Ban and Thompson provide evidence that formal rules restrict public managers’ ability to do their jobs effectively, forcing them to resort instead to informal means. For example, in order to deal with a problem employee, public managers have been found to transfer the person—and thus the problem, diminish the person’s ability to cause problems by reducing the employee’s workload, send the employee to a so-called turkey farm (organizational units engaged in low-priority work), or in some rare (and quite ironic) cases, promote the person—and thus the problem. Further study is required to determine the extent to which this faux bureaucratization yields organizational processes that are decidedly unfair. Notwithstanding these comments, industry organizations may be as fraught with problems (Jackall 1988).

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On a related note, our findings that procedural justice perceptions appear to contribute more to industry employees' satisfaction with their supervisors, while distributive justice perceptions appear to contribute more to public employees' satisfaction provides further evidence that the patterns of relations differ between the two types of organizations. Indeed, we derive further evidence from the finding that distributive justice perceptions do not significantly contribute to industry employees' satisfaction at all, while it is more important to public employees. We couple this finding with the earlier finding that, overall, public employees held weaker perceptions of both forms of justice and were less satisfied with their supervisors than were industry employees. Clearly, this evidence suggests that public employees might value organizational justice in part because of its apparent absence.

This latter conclusion may lend some insight into our finding that public employees are less satisfied with their managers than are private employees. Are public employees dissatisfied because they do not see that their efforts yield appropriate rewards, as evidenced by their lower distributive justice perceptions? Are industry employees more satisfied because they do see this link? Future research should examine these questions in greater detail.

Still further, our results lend some support to Bozeman's (1987) proposition that all organizations are public. Rather than being definitionally distinct, organizations vary along specific dimensions some of the time; that is, we cannot assume that a city government will have more formalized job standards than will a publicly traded high-tech firm.

In summary, given that human beings have a high need for justice, it is interesting to note that public-sector organizations, which are by design intended to be fair, do not generate significantly greater perceptions of either distributive or procedural justice. One implication of these perceptions of unfairness is related to the willingness of employees to feel committed to and to work toward organizational goals—especially those that involve creativity and initiative. Organizational justice research suggests that individuals who perceive that the institution's procedures and outcomes are fair are more willing to accept temporary inequities, more likely to exert effort toward organizational goals, and more likely to accept the legitimacy of the organization (e.g., Moorman, Blakely, and Niehoff 1998). This may be especially important when considering the different circumstances that surround the employer-employee contract, in public as compared with private organizations.

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While the changing nature of the employment contract in the private sector has been widely noted and discussed, little has been said about the changing nature of the employee-employer relationship in the public sector. Currently, private-sector employees in certain industrial sectors are enjoying a labor market that distinctly favors the employee. In addition, old notions of loyalty, as defined by the "man in the gray flannel suit," have died a painful death. The business press now crows about the power of generation X to call their own shots, even down to bringing their pets to the workplace (Monk 1998). In contrast, the same period has seen public-sector employees increasingly under fire for inefficiency and, in the case of the IRS, malfeasance. Since funds for public-sector positions and institutions are shrinking rather than growing, and the "employment-at-will" doctrine is eroding in the private sector, the question arises whether public employees really do have more protection (Rainey 1997). In short, being a member of a public-sector organization may be characterized by a hostile external environment, scarcity of internal resources, and few immediate prospects for a brighter future. Thus, public-sector employees may find themselves in distinctly unfavorable circumstances. Ironically, this may be the time that the mythical fairness of the system in public-sector organizations is most important in terms of employee loyalty and motivation. However, our research suggests that the opposite is true. The implication here is that major internal reforms are necessary to provide this and future generations of women and men with a just environment that encourages commitment to a career in public service.
## APPENDIX

Monitoring, Organizational Justice, and Supervisor Satisfaction Sample Items

<table>
<thead>
<tr>
<th>Scale Name</th>
<th>Number of Items</th>
<th>Sample Items</th>
<th>Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distributive</td>
<td>six</td>
<td><em>Not at all . . . Somewhat . . . Completely:</em></td>
<td>.9403</td>
</tr>
<tr>
<td>justice</td>
<td></td>
<td>To what extent are you fairly rewarded considering the responsibilities that you have?</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>To what extent are you fairly rewarded taking into account the amount of education and training you have had?</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>To what extent are you fairly rewarded in view of the amount of experience that you have?</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>To what extent are you fairly rewarded for the amount of effort that you put forth?</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>To what extent are you fairly rewarded for work that you have done well?</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>To what extent are you fairly rewarded for the stresses and strains of your job?</td>
<td></td>
</tr>
<tr>
<td>Procedural</td>
<td>six</td>
<td><em>Strongly disagree . . . Strongly agree:</em></td>
<td>.8804</td>
</tr>
<tr>
<td>justice</td>
<td></td>
<td>Overall, when decisions about employees in general, or you in particular, are made in this company:</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>requests for clarification and additional information are allowed</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>all the sides affected by the decisions are represented</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>the decisions are applied with consistency to the parties affected</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>accurate information upon which the decisions are based is collected</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>complete information upon which the decisions are based is collected</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>opportunities are provided to appeal or challenge the decisions</td>
<td></td>
</tr>
<tr>
<td>Outcome-based evaluations</td>
<td>My supervisor's evaluations. Both... Written records of results are of greatest importance:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
|---------------------------|-------------------------------------------------------------------------------------------------
|                           | when evaluating the quality of my response to customers                                         |
|                           | when evaluating the quality of my response to co-workers                                         |
|                           | when assessing my innovative work ideas                                                          |
|                           | when evaluating my overall skill level                                                            |
|                           | when evaluating the timely completion of my work                                                 |
|                           | when evaluating the quality of my work                                                            |
|                           | when providing me with timely feedback on my performance                                          |
|                           | when evaluating the overall quality of my job performance                                         |
|                           | .84                                                                                             |

| Formal communication      | Strongly disagree... Strongly agree:                                                             |
|---------------------------|-------------------------------------------------------------------------------------------------
|                           | My supervisor wanted the discussion to be casual (reverse scored).                                |
|                           | My supervisor wanted the discussion to be informal (reverse scored).                              |
|                           | .86                                                                                             |

| Job formalization         | Strongly disagree... Strongly agree:                                                             |
|---------------------------|-------------------------------------------------------------------------------------------------
|                           | Job descriptions are available for my position.                                                   |
|                           | Job descriptions accurately reflect the duties required to perform this job.                     |
|                           | There are written performance standards for my position.                                          |
|                           | Written performance standards are used in guiding my work activities.                             |
|                           | .7960                                                                                           |

| Supervisor satisfaction   | Strongly disagree... Strongly agree:                                                             |
|---------------------------|-------------------------------------------------------------------------------------------------
|                           | All in all, I am not happy with my supervisor (reverse scored).                                   |
|                           | Generally, I am satisfied with the overall quality of the supervision I receive.                |
|                           | I am satisfied with what my supervisor does for me.                                              |
|                           | My supervisor understands my needs.                                                              |
|                           | I think my supervisor uses his/her position power to help me solve my problems.                |
|                           | My supervisor will help me out at his or her expense when I really need him/her.              |
|                           | I think my supervisor can count on me in case of emergency.                                     |
|                           | My working relationship with my supervisor is effective.                                         |
|                           | .92                                                                                             |
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