

Exhibit I-1 Toward an OB Discipline

FIGURE 1.1. A FRAMEWORK FOR ORGANIZATIONAL ANALYSIS.

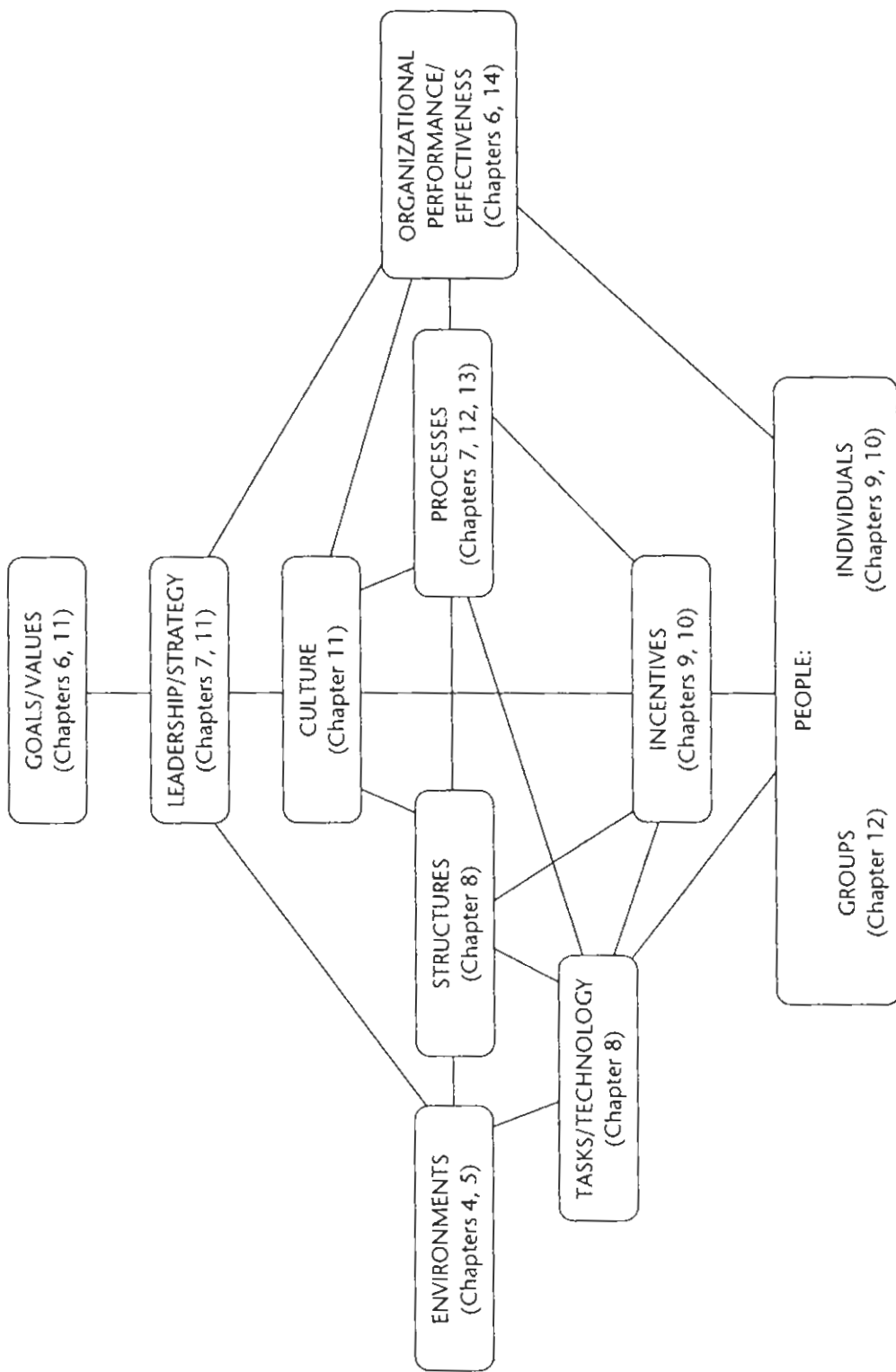


FIGURE 1.2. A FRAMEWORK FOR ORGANIZATIONAL ANALYSIS (ELABORATION OF FIGURE 1.1).

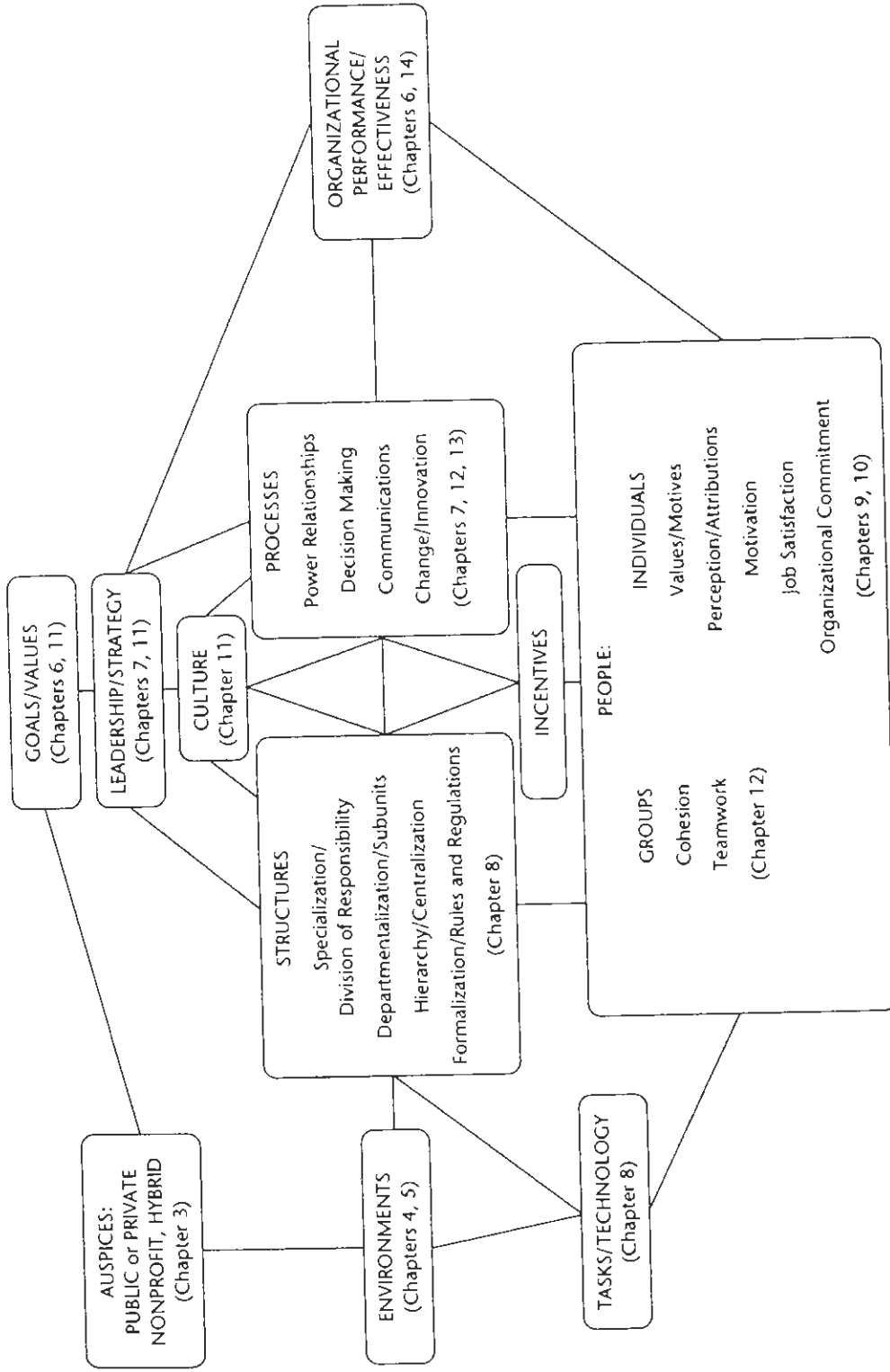


TABLE 3.2. DISTINCTIVE CHARACTERISTICS OF PUBLIC MANAGEMENT AND PUBLIC ORGANIZATIONS: A SUMMARY OF COMMON ASSERTIONS AND RESEARCH FINDINGS.

I. Environmental Factors

- I.1. Absence of economic markets for outputs; reliance on governmental appropriations for financial resources.
 - I.1.a. Less incentive to achieve cost reduction, operating efficiency, and effective performance.
 - I.1.b. Lower efficiency in allocating resources (weaker reflection of consumer preferences, less proportioning of supply to demand).
 - I.1.c. Less availability of relatively clear market indicators and information (prices, profits, market share) for use in managerial decisions.
- I.2. Presence of particularly elaborate and intensive formal legal constraints as a result of oversight by legislative branch, executive branch hierarchy and oversight agencies, and courts.
 - I.2.a. More constraints on domains of operation and on procedures (less autonomy for managers in making such choices).
 - I.2.b. Greater tendency for proliferation of formal administrative controls.
 - I.2.c. Larger number of external sources of formal authority and influence, with greater fragmentation among them.
- I.3. Presence of more intensive external political influences.
 - I.3.a. Greater diversity and intensity of external informal political influences on decisions (political bargaining and lobbying; public opinion; interest-group, client, and constituent pressures).
 - I.3.b. Greater need for political support from client groups, constituencies, and formal authorities in order to obtain appropriations and authorization for actions.

II. Organization-Environment Transactions

- II.1. Public organizations and managers are often involved in production of public goods or handling of significant externalities. Outputs are not readily transferable to economic markets at a market price.
- II.2. Government activities are often coercive, monopolistic, or unavoidable. Government has unique sanctioning and coercion power and is often the sole provider. Participation in consumption and financing of activities is often mandatory.
- II.3. Government activities often have a broader impact and greater symbolic significance. There is a broader scope of concern, such as for general public interest criteria.
- II.4. There is greater public scrutiny of public managers.
- II.5. There are unique expectations for fairness, responsiveness, honesty, openness, and accountability.

III. Organizational Roles, Structures, and Processes

The following distinctive characteristics of organizational roles, structures, and processes have been frequently asserted to result from the distinctions cited under I and II. More recently, distinctions of this nature have been analyzed in research with varying results.

- III.1. Greater goal ambiguity, multiplicity, and conflict.
 - III.1.a. Greater vagueness, intangibility, or difficulty in measuring goals and performance criteria; the goals are more debatable and value-laden (for example, defense readiness, public safety, a clean environment, better living standards for the poor and unemployed).
 - III.1.b. Greater multiplicity of goals and criteria (efficiency, public accountability and openness, political responsiveness, fairness and due process, social equity and distributional criteria, moral correctness of behavior).
 - III.1.c. Greater tendency of the goals to be conflicting, to involve more trade-offs (efficiency versus openness to public scrutiny, efficiency versus due process and social equity, conflicting demands of diverse constituencies and political authorities).
- III.2. Distinctive features of general managerial roles
 - III.2.a. Recent studies have found that public managers' general roles involve many of the same functions and role categories as those of managers in other settings but with some distinctive features: a more political, expository role, involving more meetings with and interventions by external interest groups and political authorities; more crisis management and "fire drills"; greater challenge to balance external political relations with internal management functions.

TABLE 3.2. DISTINCTIVE CHARACTERISTICS OF PUBLIC MANAGEMENT AND PUBLIC ORGANIZATIONS: A SUMMARY OF COMMON ASSERTIONS AND RESEARCH FINDINGS, cont'd.

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- III.3. Administrative authority and leadership practices.
 - III.3.a. Public managers have less decision-making autonomy and flexibility because of elaborate institutional constraints and external political influences. There are more external interventions, interruptions, constraints.
 - III.3.b. Public managers have weaker authority over subordinates and lower levels as a result of institutional constraints (for example, civil service personnel systems, purchasing and procurement systems) and external political alliances of subunits and subordinates (with interest groups, legislators).
 - III.3.c. Higher-level public managers show greater reluctance to delegate authority and a tendency to establish more levels of review and approval and to make greater use of formal regulations to control lower levels.
 - III.3.d. More frequent turnover of top leaders due to elections and political appointments causes more difficulty in implementing plans and innovations.
 - III.3.e. Recent counterpoint studies describe entrepreneurial behaviors and managerial excellence by public managers.
 - III.4. Organizational structure.
 - III.4.a. Numerous assertions that public organizations are subject to more red tape, more elaborate bureaucratic structures.
 - III.4.b. Empirical studies report mixed results, some supporting the assertions about red tape, some not supporting them. Numerous studies find some structural distinctions for public forms of organizations, although not necessarily more bureaucratic structuring.
 - III.5. Strategic decision-making processes.
 - III.5.a. Recent studies show that strategic decision-making processes in public organizations can be generally similar to those in other settings but are more likely to be subject to interventions, interruptions, and greater involvement of external authorities and interest groups.
 - III.6. Incentives and incentive structures.
 - III.6.a. Numerous studies show that public managers and employees perceive greater administrative constraints on the administration of extrinsic incentives such as pay, promotion, and disciplinary action than do their counterparts in private organizations.
 - III.6.b. Recent studies indicate that public managers and employees perceive weaker relations between performance and extrinsic rewards such as pay, promotion, and job security. The studies indicate that there may be some compensating effect of service and other intrinsic incentives for public employees and show no clear relationship between employee performance and perceived differences in the relationship between rewards and performance.
 - III.7. Individual characteristics, work-related attitudes and behaviors.
 - III.7.a. A number of studies have found different work-related values on the part of public managers and employees, such as lower valuation of monetary incentives and higher levels of public service motivation.
 - III.7.b. Numerous highly diverse studies have found lower levels of work satisfaction and organizational commitment among public than among private managers and employees. The level of satisfaction among public sector samples is generally high but tends consistently to be somewhat lower than that among private comparison groups.
 - III.8. Organizational and individual performance.
 - III.8.a. There are numerous assertions that public organizations and employees are cautious and not innovative. The evidence for this is mixed.
 - III.8.b. Numerous studies indicate that public forms of various types of organizations tend to be less efficient in providing services than their private counterparts, although results tend to be mixed for hospitals and utilities. (Public utilities have been found to be efficient somewhat more often.) Yet other authors strongly defend the efficiency and general performance of public organizations, citing various forms of evidence.
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Source: Adapted from Rainey, Backoff, and Levine (1976) and Rainey (1989).

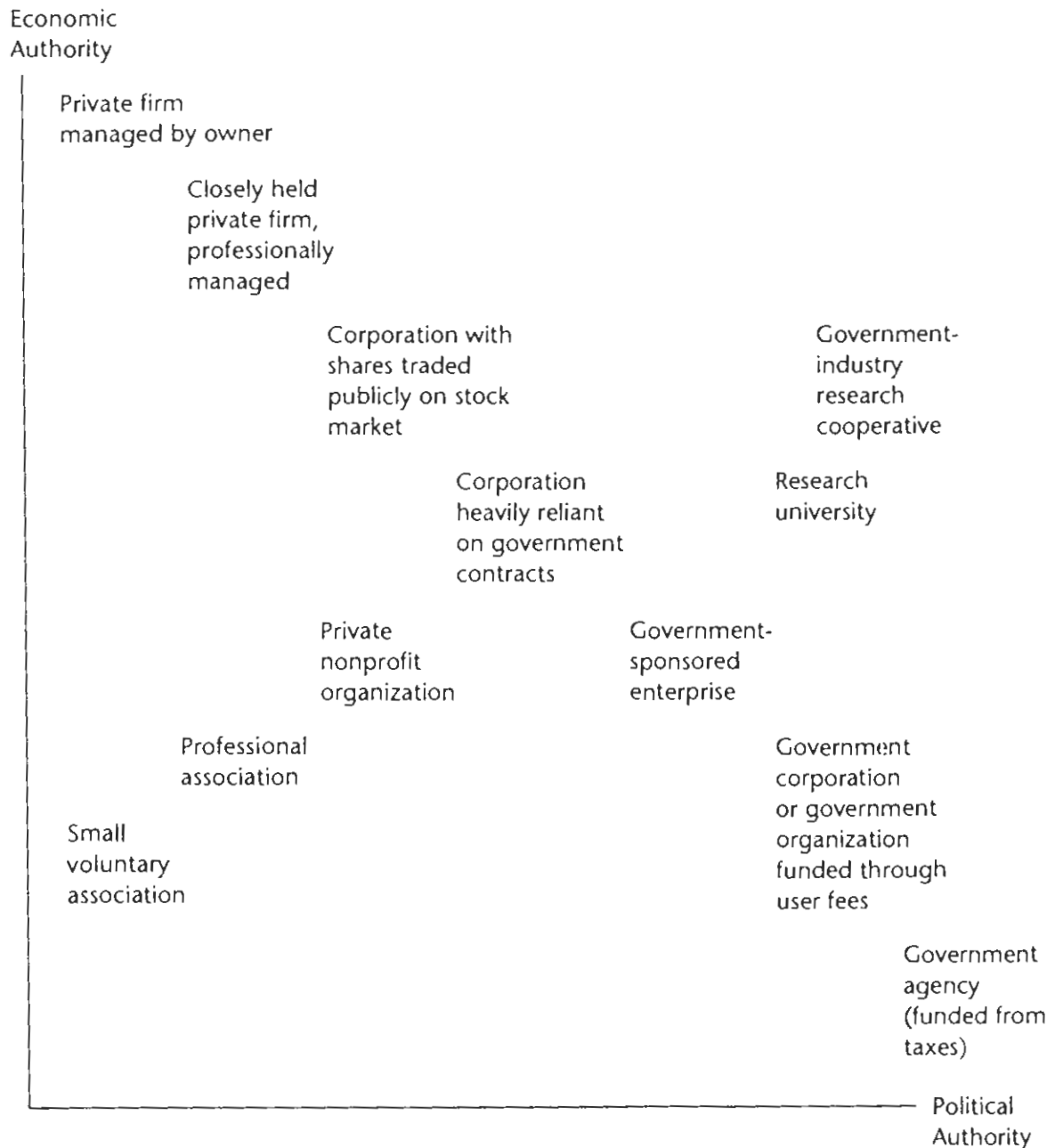
FIGURE 3.2. PUBLIC AND PRIVATE OWNERSHIP AND FUNDING.

	Public Ownership	Private Ownership
Public Funding (taxes, government contracts)	Department of Defense Social Security Administration Police departments	Defense contractors Rand Corporation Manpower Development Research Corporation Oak Ridge National Laboratories
Private Funding (sales, private donations)	U.S. Postal Service Government-owned utilities Federal Home Loan Bank Board	General Motors* IBM General Electric Grocery store chains YMCA

*These large corporations have large government contracts and sales, but attain most of their revenues from private sales and have relative autonomy to withdraw from dealing with government.

Source: Adapted and revised from Wamsley and Zald (1973).

FIGURE 3.3. "PUBLICNESS": POLITICAL AND ECONOMIC AUTHORITY.



Source: Adapted from Bozeman (1987).