

Public Administration and Business Administration: Siamese Management Twins Separated at the Heart?

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Introduction

Countless scholars and practitioners over the years have attempted to legitimize the field of public administration, make sense of the so-called public administration dichotomy, and to reinforce -- or erase -- the connections between public administration and its more popular and more perhaps more heartless sibling, business administration.

These attempts have been gathered into scholarly journals, fancy tomes and college textbooks. But the fact remains that there is still great political debate over the entire public administration profession. Arguments will continue long after this paper has been researched, written, annotated and put on a shelf somewhere. MPA-trained professionals who work for state, local or the federal government and MBA-trained professionals engaged in the quasi-public sector will also continue to do their jobs no matter what lines are drawn, conclusions made or research papers presented. Does it really make any difference whether public administration and business administration are linked in any way? According to some of the authors who've weighed in on the matter, as well as three professionals who currently work or who have worked in the public sectors, and curricular offerings in master's programs, it does matter. All management is not necessarily the same. The history of the debate is important and ongoing, as are the sorts of tasks expected on the job as well as preparation for those tasks and outcomes.

Not surprisingly since most of the literature reflects research and writings by scholars, there is little mention of emotion or passion reflected in discussions of business administration tasks. The vernacular is limited to terms like “bottom line” and “return on investment” rather than “connection to mission” or “doing the right thing.” These terms and tasks may lead one to assume that business professionals lack the heart attributed to those working in the public sector, especially in non-profit organizations.

An utterance by Wallace Sayre in the 1950s has led to a storm of discussions and writings revolving around the similarities and differences between managers working in the public sector and those engaged in the private sector. Sayre is quoted as having said, “Public and private management are fundamentally alike in all unimportant respects.” Another academic, Graham T. Allison, carried Sayre’s statement one step further by declaring, “public and private management are at least as different as they are similar, and that differences are more important than the similarities” (1979, p. 87). Proponents of New Public Management laud managerial practices from the private sector. Reformers have proclaimed, “public managers should seek to emulate the supposedly successful techniques of their private sector counterparts (e.g. management by objective, total quality management, devolved management, performance-related pay)” (Boyne, 2002, p. 97). Boyne went on to contradict Sayre, having said, “The argument of this paper is that Sayre’s assertion is not supported by the empirical evidence. Therefore, the injunction that public managers can learn useful lessons from private managers is worthy of serious, but cautious, consideration” (p. 98). Explanations of the

similarities and differences, as well as threads of the contentious issue unraveling since then, will be presented here. Additionally, three professionals working in Sioux Falls, South Dakota, offered their input. Jeffrey Traill, former city administrator and currently administrative officer for the Department of Homeland Security (part of the Transportation Safety Administration), Andy Wentzy, Director of the Sanford Initiatives, and Mark Meierhenry, former South Dakota Attorney General and now an attorney in private practice, were consulted about the practical linkages and differences they have experienced in their graduate courses in public administration, business administration and law as well as what they have seen on the job in the private and public sectors. A brief inspection of public administration and business administration curricula will also lend some weight in the courses linking and separating the two professional degrees and how professionals are prepared to carry out their duties.

Definitions

A review of literature illustrates the difficulty of even drawing cogent definitions of “public” and “private” management or administration. There is much overlap, intermingling and blurring of enterprises, especially in firms working under governmental contracts. Some corporations wield so much power and influence on the public interest that it is no longer accurate to describe them as “private.” For the purposes of this paper, “public” is defined as government and non-government organizations owned collectively by political communities dedicated to providing services to the public (including non-government organizations). “Private,” for the purposes of this paper, refers to businesses that are privately owned and operated

and controlled by market forces. “Management” is defined by Webster as the organization and direction of resources to achieve a desired result.

Historical and Theoretical Underpinnings

Although historians say public administration has been practiced for centuries, most attention has focused on the late 19th Century forward. As far back as Woodrow Wilson in the 1880s, “administration” was considered a science and a field of business. Wilson believed in separating politics from the administration of government’s affairs. While most public administrators today no longer believe in the dichotomy, much of Wilson’s belief that doing the public’s business should look much more like the doing of private business is still debated. He emphasized the need to incorporate efficient and effective ways to get the government’s work done.

Frederick Taylor believed that scientific management was the answer to the ailments dogging America’s response to the industrial age. Increased efficiencies would smooth procedures and offer answers to management that were concrete. Taylor’s thoughts influenced accounting, education, consulting, library science, architecture, health, the military, public administration, industrial and organizational psychology and gender studies (Fry & Raadschelders, 2008, p. 750). Furthermore, Taylor held that his tenets were applicable to public administration specifically since he considered the “average public employee did little more than one-third to one-half of a good day’s work” (Fry & Raadschelders, 2008, p. 56).

Two strands of progressivism developed, usually referred to as Old Progressivism and New Progressivism, both of which focused on a more responsive government. Mary Parker Follett, commonly considered to be part of the Old

Progressivist school, studied organizational behavior that is common in schools of business and public administration. She believed managers should consider psychology and sociology. She refocused her professional attention to business practices in both America and Europe in the 1920s. She expressed through several lectures aimed at industrial leaders that business practices had eclipsed other social science-based endeavors in exciting developments. She didn't take the time to separate the functions of business versus public administration, per se, but chose instead to focus on the value business lent to society. Parker Follett pointed out that "business serves a broader social purpose than mere profit-making, offering a place for pioneering in human relations. Business combines technical knowledge with scientific investigations of cooperative human behavior to discover basic principles of organized activity (Fry and Raadschelders, p 128). During a presentation on the Psychology of Control, Parker Follett expressed some of these sentiments. "The reciprocal influence, the interactive behavior, which involves a developing situation, is fundamental for business administration as it is for politics, economics, jurisprudence and ethics" (Metcalf and Urwick, 1940, p. 201).

New Progressivists such as Wilson, Luther Gulik, and Frederick Mosher took a federalist perspective. Gulik, especially, believed that businesslike techniques should be adopted to improve the efficiency of governmental operations (Fry & Raadschelders, 2008, p. 107). Gulik's famous POSDCORB will be visited later in the paper as administrators in 2009 discussed similarities between public administration and business administration that Gulik first addressed in his pre-WW II writings. This view demonstrated agreement with Frederick Taylor's

techniques of Scientific Management. These techniques, designed through experimentation, were intended to make industrial (task management) functions more efficient and would therefore improve profitability.

Classic theory argues that policy, instructions, guidance and authority flowed down the hierarchy and communication (feedback) flowed up. Chester Barnard showed that considerable power accumulates at the base of the hierarchy and theories of effective management needed to reflect this and account for the culture, preferences and attitudes of workers, and the extent of agreement between workers' needs and interests and management policy and direction (Frederickson & Smith, 2003, pp. 100-101). In this theory, authority is delegated upward rather than downward since management is charged with securing cooperation through participation.

Moving away from the Classical perspective, Behavioralists Dwight Waldo and Herbert Simon weighed in on the matter in post-WW II debates. Simon's writings concentrated on individual and organizational decision making. He supported a scientific approach to administration. However, he first disputed the dichotomy and pointed out fundamental commonalities in human behavior in public and private organizations (Fry & Raadschelders, 2008, p. 221). Simon introduced the theories of bounded rationality and Satisficing Man. Both Waldo and Simon agreed that public administration was multi-disciplinary. Where they differ is that Waldo thought very little was clear-cut; Simon believed in breaking complex problems into measurable facts. Waldo asserted that public administration accepted both business procedures and business ideology. In 1967 he stated that his interests

were more in line with sociology, business administration and organization theory and these subjects were more germane to the agenda of public administration than political science (Fry & Raadschelders, 2008, p. 306). However, Waldo said, public administration is different from private administration insofar as public administrators must operate in a political environment. Simon contended there were fundamental commonalities in human behavior in both public and private organizations and the “findings of a science of administration are applicable in both settings” (Fry & Raadschelders, 2008, p. 221). Ultimately, authors Fry and Raadschelders spoke out on business administration AND public administration (a Waldoism) and said public administration predated business administration and that any protestations that PA borrowed from BA was incorrect. Further, they claimed there was no convincing evidence that private business was more efficient than public organizations (2008, p. 348).

Literature Review

Traditional economic theory holds that in a capitalist economy the purpose and motivating factor in business enterprise is to earn a profit. Efficiency is ensured through competition to offer superior goods and services to customers. In his paper discussing major administrative reforms of the 20th Century, James P. Pfiffner discussed public and private management. “If a business makes a profit, providing it stays within the laws, that is sufficient justification for its existence. Within such a capitalistic system governmental action is justified when a service is useful to the economy, (or polity) but there is not sufficient incentive in the private sector to provide it “ (1998, p. 10).

Author Michael A. Murray in 1976 suggested that public and private organizations had been converging and facing similar constraints and challenges, and that management in all types of organizations should be viewed as a generic process. Others claimed it was too early to discount the significance of public-private differences and their implications for management training and practice (Rainey et. al, p. 233). Arthur Sementelli (2005, p. 492) asked: “Does public administration have a unique identity that can be identified using psychometric information? Is this identity ‘shared’ with either business administration or political science?, and if so is there an empirical argument that can be made for either as a ‘mother’ discipline for public administration.” Two researchers, Barry Bozeman and Stuart Bretschneider of Syracuse University, in 1994 pointed out that “despite the widespread recognition of unrealism of the politics/administration dichotomy, much of organization theory continues to ignore external political and economic forces” (p. 198).

Because authors have approached the question from so many different angles, this paper has addressed linkages between business administration and public administration in a more simplistic way. Management practices in both sectors were examined by this author in terms of either internal processes or external processes. These variables pointed distinct differences in how the basic functions of management were exacted (Boyne, 2002, p. 100) in each sector. Comparisons and contrasts from a variety of authors were contemplated in regard to each of the following factors.

Internal Factors

1. Goals/objectives and evaluation criteria
2. Structure, decision making and control
3. Finances
4. Performance characteristics
5. Nature of goods produced

External Factors

1. Market exposure
2. Legal and regulatory constraints
3. Political influences
4. Public scrutiny and expectations
5. Scope of impact

Internal Factors: Goals/objectives and evaluation criteria

Some authors choose to focus on similarities between private and public managements. Pffifner is one who pointed out differences. "The problem with management techniques and their transferability is that in businesses there is a 'bottom line.' That is, if a business is making a profit its existence is justified, and its various parts can be justified by how they contribute to making that profit.

Efficiency can be calculated by showing how the same product can be produced with fewer resources. Evaluating public services is much more difficult because there is no 'bottom line.' Since by definition, the public sector is providing services that would not produce a profit in the private sector (at least in the same quantity), there is no way to judge how much any portion of activity contributes to profitability.

There is no pricing system by which to judge whether any given activity is worth carrying out" (1998, p. 10).

Allison also addressed the "bottom line" and pointed out that governmental managers rarely had a clear bottom line, "while that of a private business manager is profit, market performance, and survival" (1979, p. 78). He quoted Donald

Rumsfeld, former Congressman, Secretary of Defense, Ambassador to NATO and Chief of Staff under President Gerald Ford (who later joined G.D. Searle & Co., as CEO and president), as having said, "In business, you're pretty much judged by results. I don't think the American people judge government officials this way ... In government, too often you're measured by how much you seem to care, how hard you seem to try – things that do not necessarily improve the human condition" (1979, p. 87). Allison summed up this point quite well when he wrote, "The perception that government's performance lags private business performance is also correct. But the notion that there is any significant body of private management practices and skills that can be transferred directly to public management tasks in a way that produces significant improvements is wrong" (1979, p. 88).

During an informal presentation, "Historical Perspectives on the Financial Crisis," to college students studying business administration, government and economics, economist and academician Robert E. Wright (April 14, 2009) said government growth was considered more important than efficiency. "The government measures input, not output. For instance, officials say, 'We spent \$70 billion on that problem.' " In 2003 K.J. Euske's published research showed that public sector organizations had "shifting, complex, conflicting goals" with equity the dominant concern while organizations in the private sector had "clear and agreed upon" goals and efficiency was the dominant concern (p. 6). The paper articulated that "economic efficiency is core to the operation of private sector organizations" (p. 7). No other authors disputed this contention and in fact, most agreed that the

political environment “effectively precludes the use of efficiency as a performance metric” (Euske, p. 7).

Internal Factors: Structure, decision making and control

Euske believed all managers needed data on which to base decisions. Whether it was financial data or market data, this information was vital to making intelligent choices. According to the author, “Interpretation and uses of data may differ from sector to sector” (2003, p. 8). Motivation has long been an issue in management research. Multiple studies showed that public managers were “less materialistic than their private counterparts; managers in private organizations are more strongly motivated by their personal economic prosperity” (Boyne, 2002, p. 112). Similar studies, also reported by Boyne, showed that public managers have a stronger desire to serve the public interest. However, organizational commitment was weaker in the public sector (2002, p. 113).

Former Secretary of the Treasury W. Michael Blumenthal was CEO of Bendix Corp. before moving into the more public role. In an article printed in the Jan. 29, 1979, issue of *Fortune*, Blumenthal said this about control: “(Y)ou find that the head of a government department or agency is not like the chief executive of a large corporation who has control over personnel system, who can change it, can instill a certain spirit, can hire and fire. In government that kind of control does not exist” (p. 39).

Pfiffner also addressed management flexibility. “... in the private sector managers have a choice. In the public sector, however, executives have only a narrow range of choice; they can try new ways to accomplish the mission, but they

cannot change the mission of the agency. At the federal level, that is for Congress to decide” (1998, p. 11). Rumsfeld saw many similarities between government and business. He believed jobs in both required planning and establishing priorities (*Fortune*, p. 91).

Internal Factors: Finances

Trall (personal communication, April 8, 2009), who has a master’s degree in public administration, looked at it this way: “In the business world if you’re not making money you’re going to shut your doors and lay off people. In the federal government, we borrow or print more money. State and local government in South Dakota doesn’t have that option. You have to operate within your available resources. You can only borrow money for capital assets. Basically you don’t see cities going bankrupt. Revenue for most governmental entities is from tax dollars. You have a group of people you can tax until they get fed up and vote you out of office or have a referendum. If you’re not selling in the business world, you’re not going to generate any revenue. In government you can provide crappy services and still generate revenue. In government you will have a new pot of money through allotments, grants and tax dollars. In business you don’t have that luxury.”

Mark Meierhenry, former South Dakota Attorney General and currently in private law practice, whittled down differences between public and private enterprise to one of money. “Management in the public sector begins with a budget and tasks to accomplish. The work is to utilize the assets to obtain maximum results. In private business, the first thought is constantly cash flow or the lack thereof. The

emphasis on obtaining work and payment is the primary motivator” (personal communication, April 10, 2009).

Andy Wentzy, who has a master’s degree in business administration but who works for the non-profit healthcare organization that is the largest employer in the state of South Dakota, said he sees little demarcation between private and public organizations when it comes to money. “Our organization operates more like a business than many other healthcare organizations in the country and world. Here we still focus on financial accountability, first and foremost, assuming that staff and doctors will deliver healthcare holistically. Our very small and lean group of leaders works with pro formas and projects from a financial aspect rather than from a patient care perspective” (personal communication, March 25, 2009).

Internal Factors: Performance characteristics

Allison approached performance criteria quite matter-of-factly: “There is little if any agreement on the standards and measurement of performance to appraise a government manager, while various tests of performance – financial return, market share, performance measures for executive compensation – are well established in private business and often made explicit” (1979, p. 77) . Allison also claimed that the political economy in which public sector organizations operate most effectively precluded the use of efficiency as a performance metric. Instead, he argued, public entities are focused on equity.

Boyne (2002, p. 101) pointed out that public agencies are marked by more bureaucracy, red tape, and less freedom to react to circumstances. This trio of bureaucracy, red tape and delay was echoed by Jeffrey Traill, former Dell Rapids,

S.D., administrator and currently administrative officer for the Department of Homeland Security. “Managers (in both sectors) have the same core skills, knowledge and abilities. However, there are differences. You can make changes rapidly and adapt to conditions in business. But the bureaucracy hammers you in the federal government. Office space takes private businesses a few months to lease, but in the federal government it takes 2-3 years. It was eye-opening to me to see how truly ridiculous it is. People from the private sector would have some difficulty adjusting to that” (personal communication, April 8, 2009).

Accountability for performance factored into Wentzy’s measurement considerations. As director of the Sanford Initiatives, which include establishing children’s hospitals around the world, Wentzy said expectations for his performance were set primarily by multi-million-dollar donor T. Denny Sanford. “Whether you’re talking about a governmental agency or a non profit foundation, I don’t see that as any different than being accountable to a shareholder. Everybody who has a stake, whether a philanthropist or board member, is interested in whether you’re making shrewd investments with their money. All look for the organization to work toward their stated goal” (personal communication, March 25, 2009).

Traill’s perspective was similar to that expressed in Bozeman’s and Bretschneider’s Publicness Puzzle paper. “Government administration differs from all other administrative work to a degree not even faintly realized outside” (1994, p. 200).

Traill agreed and described it as inept bureaucrats rising within a public organization until they are too incompetent to advance further. “The Peter Principle

is really rampant in the federal government. It's frustrating. A new employee has a two-year probationary period. If they transfer in and had been with the federal government for more than two years, you're stuck because there's no more probationary period" (personal communication, April 8, 2009). At least two researchers agreed with Traill's conclusion about dealing with entrenched staff. Bretschneider in 1990 reported that decisions in public agencies took longer, particularly decisions on the appointment or dismissal of staff. Allison, too, agreed. "The routes by which people reach general management positions in government do not assure that they will have consciousness or competence in management" (1979, p. 88).

If bureaucracy is indeed more prevalent in the public sector, Boyne (2002, p. 102) said "it is unclear whether this is associated with a lack of entrepreneurial behavior or an aversion to risk on the part of the public managers."

Internal Factors: Nature of goods produced

Production was often difficult not only to measure, but also to articulate in government. John J. DiIulio Jr. made this distinction in a Bureau of Justice Statistics article. "Unlike most private corporations, most government agencies have no market-test of output. The managers of a smokestack company are out to turn a profit (by selling smokestacks); the managers of the Environmental Protection Agency are out to 'protect the environment.' The executives of the television networks contrive to generate dividends for shareholders; the heads of the Federal Communications Commission contrive to regulate airwaves in 'the public interest.' At most, public managers have proxies for outputs: for example, increasing weapons

stockpiles as a proxy for ‘enhancing combat readiness’ and ‘strengthening national defense’” (1993, p. 143).

Traill concurred that bureaucracy was rampant and this, combined with a dearth of performance measurement criteria for his employer, TSA, was frustrating. “In government it’s different. We’re in the security business; you can’t reach out and grab that. We’re answering to a larger population and political whims. We’re not reporting to stakeholders” (personal communication, March 25, 2009).

External Factors: Market exposure

While most public agencies may not consider serving constituencies to be managing market forces, they nevertheless “must manage the segment of the market it is going to serve, manage the services and products it provides and manage its suppliers” (Euske, 2003, p. 9). Wentzy believed healthcare wasn’t necessarily like a private business in that it wasn’t truly responsive to market forces. “Because our patients don’t really think about healthcare until they need it, it’s not a very predictive industry. We mostly have to be reactive, and even though we can see trends, it’s hard to plan” (personal communication, March 25, 2009).

External Factors: Legal and regulatory constraints

Constitutional differences comprised a major distinction between public and private management. The constitutional goal of government was to spread out functions to the president, two houses of Congress and courts (as well as to state and local governments) while business management focused on a CEO who competed in the free market (Allison, 1979, p. 80). Oversight by Congressional groups as well as judicial orders were common for governmental managers but

“quite uncommon” in private business management (p. 78). Allison said such scrutiny “often materially constrains executive and administrative freedom to act.”

External Factors: Political influences

Political constraints result in frequent changes in policy. The political cycle, according to Bozeman (1987, p. 20), means a “constant pressure to achieve quick results – results that can help the agency receive a larger share of the next round of appropriations; results that may be possible only so long as congressional allies remain entrenched; results that can help re-elect a president.”

Both Pfiffner and Traill characterized political change as a detriment to long-range planning. “With presidential elections every four years and congressional elections every two years, there is great potential for reversals in policy direction. Frequent changes in partisan control of government make long term planning difficult and often frustrate public managers who must plan to implement programs for long term effectiveness” (1998, p. 15). Traill (personal communication, April 8, 2009) pointed to the administration change from Bush to Obama and how it affected his agency. “Right now TSA, like every other federal agency, is in transition from a more conservative administration to a more centrist administration. We have a chance to do that every four years so we run around chasing our tail according to whatever the president or congress wants us to do.”

External Factors: Public scrutiny and expectations

Public agencies face a variety of stakeholders, as do private concerns. L. Metcalfe is quoted as having said, “[G]overnment operates through networks of interdependent organizations rather than through independent organizations which

simply pursue their own objectives” (Boyne, 2002, p. 100). Allison stated bluntly that “governmental management tended to be exposed to public scrutiny and to be more open, while private business management is more private and its processes more internal and less exposed to public review” (1979, p. 78). Expectations by external constituencies such as taxpayers and service recipients and consumer groups were likely to conflict. Private companies also answer to stakeholders with conflicting viewpoints, but ultimately were concerned primarily with satisfying funding sources, customers and media. Customers expect products to be available where and when they want them at prices they expect to pay. Stockholders and other creditors expect a return on their investments. This absence of competitive pressures in public agencies results in less rivalry. Rather, public sector organizations are expected to collaborate with other organizations offering similar services and not compete for customers (Boyne, 2002, p. 100).

Watchdogs such as the media tend to focus more on what’s happening in government than watching business outcomes, most literature contended. “Government management must contend regularly with the press and media; its decisions are often anticipated by the press. Private decisions are less often reported in the press, and the press has a much smaller impact on the substance and timing of decisions” (Allison, 1979, p. 78).

Former Secretary of the Treasury Blumenthal also addressed the media issue: “In a corporation, mistakes are of no great interest unless they lead to a major loss of profit. Mistakes by a Cabinet member are always newsworthy, so you learn to be very careful about what you reveal” (*Fortune*, p. 38).

Public expectations differ, according to Rumsfeld. “The goal in government is generally accepted as a worthy one – a legitimate human endeavor. On the other hand, there are many people in the world who simply don’t consider business a worthy activity. They characterize profits as evil and business as an essentially selfish activity. They don’t appreciate that society is damaged when enterprise is stifled” (*Fortune*, p. 91).

External Factors: Scope of impact

Blumenthal stressed that he was judged on his efficacy as Treasury secretary in different ways than his success at Bendix was measured. “You’re perceived to be a good Secretary in terms of whether the policies for which you are responsible are adjudged successful or not: what happens to the economy, to the budget, to inflation, and to the dollar, how well you run debt financing and international economic relations, and what the bankers and the financial community think of you. That’s not true in a company. In a company, it’s how well you run the place. The fact that Bendix under my tenure was selected as one of the five best-managed companies in the U.S. meant something to my reputation and that of my company” (*Fortune*, p. 39).

Management Training: MPA and MBA Curricula

How then, are professionals prepared to work in public and private venues? A non-scientific survey of MPA and MBA curricula showed that most programs require students to take a common slate of courses. These courses -- accounting, human resources, organizational theory, statistics and economics – were required by both MPA and MBA programs. Where they differed was that MBA programs were

likely to include courses in business strategy, marketing management, manufacturing and operations as well as some technology-based coursework, whereas MPA programs included coursework in research methods, budgeting & financial analysis, public policy and intergovernmental relations. Specialty areas differed slightly. While both usually offered a focus in healthcare management, MBA programs were more likely to offer emphases in marketing, technology and finance. MPA programs logically went into the quasi-public and public areas such as public safety, non-profit management, state and local government and public finance.

In an article about MPA preparation, Benjamin D. Miner compared MPA and MBA realities and said both programs relied on common coursework. “[T]his person has typically learned leadership skills, constitutional law, administrative law, research methods, theories of government, principles of human resource management, policy analysis techniques, and methods of budgeting. This diverse education provides public and private practitioners a common knowledge base” (2006, p. 3).

When asked about their specific MBA and MPA coursework, Traill said he felt underprepared in accounting and compensated by enrolling in two accounting courses (personal communication, April 8, 2009). Wentzy said he would have welcomed additional preparation in research methods (personal communication, March 25, 2009).

POSDCORB

Management functions as outlined by Gulik’s acronym for Planning, Organizing, Staffing, Directing, Coordinating, Reporting, and Budgeting, resonated in

both arenas. Allison said, ...”the larger lesson is that dedicated attention to specific management functions can, as in the history of business, create for public sector managers accounting categories, and rules, and measures that cannot now be imagined” (1979, p. 89).

Traill and Wentzy said it was true in their experiences that an executive was engaged in each of these endeavors, whether that organization was public or private. They illustrated with a few examples. “Planning is one thing the government does not do well. The private sector does a very good job of planning five and 10 years out. For example, the clinics [Sanford] will build around the world are well planned. The federal government might say we’re going to federalize another 40 airports over the next 20 years and this is what it’s going to cost us. By the time all is said and done, it would have cost four or five times more because we don’t plan well” (Traill, personal communication, April 8, 2009).

Traill said reporting was a “deficiency of every level of government. The business sector has Sarbanes-Oxley and other reporting requirements so investors truly know what your liabilities and assets are. In government it’s never truly reported. Part of it is due to the budgeting process. In local government in 2004 we finally went to GASB 34 (Governmental Accounting Standards Board), requiring all larger entities to go back in history and figure out actual acquisition of asset costs because they are truly assets of the governmental organization. More stringent requirements have moved government closer to the business world so you get a better overall picture” (personal communication, April 8, 2009).

One area where Traill and Wentzy agreed that business and government differ is in the need for, and practice of, marketing goods and services. Wentzy said Sanford is always cognizant of the market and the need to communicate. “It seems one important element is missing between public administration and business administration. That is marketing or sales. In public administration it seems the audience is presumed (constituents) and in business administration products are developed or refined based on the needs of a specific market. Messages regarding the products must be disseminated. There’s a communicative function in each of these topic areas. Maybe Gulik was focusing on the internal aspects of a business rather than external considerations. The bottom line is that communications and marketing are so inherent in everything we do” (personal communication, March 28, 2009). Traill was more blunt in his assessment: “I think the government does a piss poor job of marketing, mostly because it’s a knee jerk reaction. The agency gets bad publicity and so all of a sudden we do outreach. It’s not necessarily well thought out. In local government you’ll see smaller communities are branding themselves (billboards and TV ads for small towns) as part of their economic development strategies. With the federal government, the sheer size and separation between agencies prohibit a concerted effort – despite lip service from our current president – to market new programs” (personal communication, April 8, 2009).

Conclusion

Despite various viewpoints about the differences and similarities in government and business operations, the debate will continue both on campuses as

curricula are re-examined and in the marketplace as performance criteria are re-visited.

Researchers Nygaard and Bramming (2008, p. 402) concluded the public sector has become increasingly market-driven over the last few decades. They described a public manager's role as juggling multiple agendas, developing networks, engaging in teamwork, managing projects and applying "the best possible mix of competencies to reach the clearly defined – often contractually set – outcomes." It's their contention that public management was so closely linked to the market that flexibility and stakeholder management were of vital importance.

Pfiffner summed up by saying, "While it may be true that the best managed companies in the private sector are the most productive organizations in the country, it does not necessarily follow that business management is always more efficient than public management. Because of profound differences... the two sectors are not directly comparable on efficiency criteria" (1998, p. 14).

If being attentive to the bottom line, to efficiency, to stakeholders and to a mission is heartless, then business administration is the less emotional of the two disciplines. It thrives on independence yet has sought out partners and interdependent firms to help in its delivery network. The somewhat more ponderous and less defined twin, public administration, also is interdependent and intrinsically motivated by the public good, whatever that may be in any given political climate. The social aspect of both is still the circulatory system that links them, as both serve people and exist only because their missions are to meet human needs.

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