
Downloaded from: http://researchonline.lshtm.ac.uk/2004619/

DOI: 10.4018/ijpphme.2013070104

Usage Guidelines

Please refer to usage guidelines at http://researchonline.lshtm.ac.uk/policies.html or alternatively contact researchonline@lshtm.ac.uk.

Available under license: Copyright the publishers
Table of Contents

SPECIAL ISSUE ON THE MOVEMENT TOWARD CITIZEN’S CHOICE IN HEALTH CARE

EDITORIAL PREFACE

iv  Jari Vuori, Department of Health and Social Management, University of Eastern Finland, Kuopio, Finland

RESEARCH ARTICLES

1  Public and Private Healthcare in Slovenia in Relation to Choice and Accessibility of Services
   Matic Kavčič, Faculty of Health Sciences, University of Ljubljana, Ljubljana, Slovenia
   Majda Pahor, Faculty of Health Sciences, University of Ljubljana, Ljubljana, Slovenia

15  Personal Budgets, Choice and Health: A Review of International Evidence from 11 OECD Countries
    Erica Wirrmann Gadsby, Centre for Health Services Studies, University of Kent, Canterbury, UK
    Julia Segar, Centre for Primary Care, University of Manchester, Manchester, UK
    Pauline Allen, London School of Hygiene and Tropical Medicine, London, UK
    Kath Checkland, Centre for Primary Care, University of Manchester, Manchester, UK
    Anna Coleman, Centre for Primary Care, University of Manchester, Manchester, UK
    Imelda McDermott, Centre for Primary Care, University of Manchester, Manchester, UK
    Stephen Peckham, Centre for Health Services Studies, University of Kent, Canterbury, UK

29  Re-Balancing the Roles of Public and Private Health Sectors in Wales
    Malcolm John Prowle, Nottingham Business School, Nottingham, UK

44  The End of Publicness? Public and Private Healthcare Organizations are Alike in all Important Respects
    Stuart Anderson, London School of Hygiene and Tropical Medicine, London, UK

Copyright

The International Journal of Public and Private Healthcare Management and Economics (IJPPEME) (ISSN 2155-6423; eISSN 2155-6431), Copyright © 2013 IGI Global. All rights, including translation into other languages reserved by the publisher. No part of this journal may be reproduced or used in any form or by any means without written permission from the publisher, except for noncommercial, educational use including classroom teaching purposes. Product or company names used in this journal are for identification purposes only. Inclusion of the names of the products or companies does not indicate a claim of ownership by IGI Global of the trademark or registered trademark. The views expressed in this journal are those of the authors but not necessarily of IGI Global.

The International Journal of Public and Private Healthcare Management and Economics is indexed or listed in the following: Bacon’s Media Directory; Cabell’s Directories; JournalTOCs; MediaFinder; The Standard Periodical Directory; Ulrich’s Periodicals Directory
The End of Publicness? 
Public and Private Healthcare Organizations are Alike in all Important Respects

Stuart Anderson, London School of Hygiene and Tropical Medicine, London, UK

ABSTRACT
When Wallace Sayre declared that ‘public and private organizations are alike in all unimportant respects’ a quest began to establish the truth or otherwise of this assertion. Researchers have been investigating the topic for over sixty years. They have focused on two key questions; what is meant by a public or private organization? And what constitute ‘important respects’ and ‘unimportant respects’ respectively? This paper reviews current evidence relating to the testing of Sayre’s statement, focusing on the healthcare sector. It is concluded that research has failed to provide unequivocal evidence that particular aspects of publicness impact aspects of organizational performance in particular ways. Sayre got it wrong; public and private organizations are alike in all important respects. It is argued that it is time to call a halt to publicness studies; what matters is management and organization, and it is on these issues that public organization researchers should now concentrate.

Keywords: Healthcare, Organization, Performance, Private, Public, Publicness

INTRODUCTION
The relative benefits of healthcare provision being delivered by the public or private sectors has been a central theme of research in the fields of political science, economics and organization theory for many years. When in 1953 Wallace Sayre, professor of public law and government at Columbia University, declared that ‘public and private organizations are alike in all unimportant respects’ he initiated a quest by organization theorists and others to establish the truth or otherwise of this assertion (Sayre, 1953). Researchers have now been investigating it for over sixty years.

The focus of much of this research has been on two key issues; what is meant by public or private when applied to organizations, and identifying what constitute ‘important’ and ‘unimportant respects’ respectively. Researchers have since demonstrated that there is more to being public or private than ownership; and they have largely concluded that the ‘important respects’ relate mainly to outcomes (efficiency,
effectiveness, equity, quality); and that the ‘unimportant respects’ relate largely to design issues (organization, management, structure and goals).

To ‘prove’ Sayre’s aphorism we therefore need to review the evidence that the ‘unimportant respects’ (management, structure and organization) are alike in public and private organizations, and conversely that the ‘important respects’ (efficiency, effectiveness, etc.) differ between the two sectors. This remains an important question in many sectors including health, where there continues to be political pressure to transfer large parts of service provision to the private sector.

The purpose of this paper is therefore threefold; to review the evidence from the publicness literature relating to Sayre’s assertion; to investigate whether research in health care organizations confirms or refutes these findings; and to identify priority areas for future research in this area. It is concluded that, for most sectors including health care, Sayre got it wrong; that public and private healthcare organizations are in fact alike in all important respects. It is argued that under these circumstances there is little to be gained by continuing with elaborate studies of publicness in healthcare, and that emphasis needs to be placed on management and organization research.

**CORE PUBLICNESS: PUBLICNESS AS OWNERSHIP, FUNDING OR MODE OF SOCIAL CONTROL**

Bozeman and Straussman first proposed the concept of publicness as a way of looking at issues such as the increasing diversity of organizational types, and particularly the blurring of the distinction between public and private organizations, in a chapter entitled ‘organization publicness and resource processes’ in Hall and Quinn’s (1983) seminal edited volume *Organization Theory and Public Policy*. Bozeman (1987) later developed the concept in his book *All Organizations are Public: Bridging Public and Private Organization Theory*. Since then extensive empirical and theoretical work has been carried out in the field of organizational publicness. Organizational studies of public/private differences in organizations have evolved rapidly, from an emphasis on generic approaches, through to a focus on core, dimensional, empirical, normative, and most recently on integrative publicness.

The rationale for comparing public and private organizations is the supposition that public organizations are different from business firms, and that different factors might therefore be important in optimising performance. A large body of research has now compared public and private organizations, using a variety of approaches, the purpose of which has been to consider whether one type of organization is more effective than others in delivering certain outcomes. Some studies have examined the extent to which particular organizational attributes are specific to one sector or are shared across several. Scott and Falcone (1998) reviewed the underlying conceptual frameworks used in these studies, and concluded that all could be reduced to one of three types; the generic, core and dimensional approaches.

In generic approaches the importance of possible differences between public, private and other organizations is discounted. Thus management functions, organizational processes and managerial values are essentially the same in them all (Murray, 1975). This approach recognises that private organizations are not driven exclusively by the profit motive, but that decisions take account of a host of criteria of which monetary profit is only one. Core approaches, on the other hand, emphasise that fundamental differences exist between public and private organizations. Two of the research traditions that emphasise this approach are property rights theory and public choice theory, and much published research in this area is based on them. According to these theories public and private organizations can
be distinguished according to the presence or absence of market structures, externalities, and ownership transferability (Niskanen, 1971).

**DIMENSIONAL PUBLICNESS: PUBLICNESS AS EXTENT OF POLITICAL AND ECONOMIC AUTHORITY**

Dimensional publicness theories emerged out of recognition that simple distinctions between public and private based on ownership, funding or mode of social control did not capture the differences seen; such distinctions were no longer adequate or appropriate. The first empirical research employing a dimensional publicness model was Bozeman’s study of aerospace firms (Bozeman, 1984). Bozeman defined publicness as ‘a characteristic of an organization which reflects the extent to which the organization is influenced by political and economic authority’ (Bozeman, 1987). He argued that all organizations are public to one degree or another, and that publicness is therefore a matter of degree. Organizations can be considered to be more or less ‘public’ and more or less ‘private.’ Bozeman suggested that organizations could be located at positions along several dimensions of publicness that are independent not only of formal legal status but also of each other. As he puts it: ‘some organizations are governmental, but all organizations are public.’

According to Bozeman (1987) the key to the ‘publicness puzzle’ (whether the public context of organizations affects their behaviour) lies in the organization’s mix of political and economic authority. These concepts have been extensively debated by political and economic theorists over several decades (Benn & Gaus, 1983), although there has been less debate about the impact of political and economic authority on organizational behaviour. Bozeman’s definition of publicness embraces the degree to which an organization is constrained or enabled by political authority, indicating the power to act granted by government. He presented a model of the effects of political authority on organizational behaviour, illustrating the links between primary political authority (the citizen), secondary political authority (public officials), tertiary political authority (the focal organization), and the organization’s outputs. All organizations, he asserts, are subject to political authority to a greater or lesser extent.

Elaborations of economic authority in publicness studies are usually grounded in property rights theory. The key distinction between private and government organizations is the inability to transfer rights of ownership in government organizations from one person or group of people to another. Likewise there is the absence of the profit motive in public organizations, although there is debate about the relevance of this motive in distinguishing public and private organizations, since it is widely recognised that few organizations in either sector are driven solely by profit. Other aspects of economic authority include the extent to which the organization is able to raise capital, set borrowing limits and retain financial surpluses.

Dimensional publicness is concerned with both the mix of economic and political authority and their amount. An organization can have a high degree of both political and economic authority; economic and political authority are not necessarily inversely related. Different activities within an organization may be controlled by economic authority, whilst others are controlled by political authority. Measures of economic and political authority thus have both direction and scale. Any organization can be located on a publicness grid, with political authority plotted on the x-axis and economic authority on the y-axis. Whilst finding measures for scale has proved challenging, researchers are generally agreed on direction; high publicness organizations are subject to high levels of government control; low publicness organizations are subject to little government control. Organizations with high economic authority have a high degree of control over their financial decisions; those with low economic authority are subject to tight government financial control.
In later work Bozeman (1987) suggested that organizations could be located at positions along several dimensions of publicness that are independent not only of formal legal status but also of each other. A number of subsequent studies identified specific, empirically identifiable dimensions of publicness. Emmett and Crow (1988) examined dimensional concepts of publicness to determine the effects on 250 research and development laboratories, many of which were of ambiguous ownership. Their research focused on the external environments of organizations, and related internal processes and characteristics. They found clear differences between types of research laboratories based on levels of administrative intensity and nature of end product. But the greatest explanatory power for differences in publicness between the organizations was provided by two variables; governmental influences on goals, and the nature of the resource process.

Bozeman and Crow (1989) used historical analysis of the American aerospace industry to identify dimensions of publicness amongst a group of organizations which were, from an ownership perspective, purely private. This study explored resource publicness, which they defined as the extent to which an organization is dependent on government for its funding. In the aerospace industry they found that financial support came from a variety of sources, including profits from government contracts, government subsidies, trust funds, and user charges. Sources varied in the extent of government constraint implied.

Later studies provided a more direct comparison of core and dimensional approaches to publicness. The first focused on information management functions in a variety of governmental and business organizations (Bretscheider, 1990), whilst the second examined governmental, business and non-profit organizations in a variety of functional settings (Coursey & Bozeman, 1990). This study found significant differences in the decision-making patterns of public and private organizations, even when mission and function were controlled. Both found that each approach had some explanatory power.

In a further study, Bozeman and Bretschneider (1994) developed two measures to encompass the publicness of the organization’s goals and agenda, and two further variables aimed at capturing communications publicness; this related to transactions with external government actors. Such dimensions included resource acquisition, the nature of outputs, diversity of mission, and environmental transactions. They confirmed that core and dimensional approaches to publicness are not mutually exclusive, with each approach having some explanatory power. Both are important and useful; they are complementary, as they predict different aspects of organizational behaviour.

The context in which publicness emerged has been described more recently by Walker and Bozeman (2011). The counterfactual assumption in the general management literature is that ‘management is management’ and is likely to be the same in all sectors. If this is so, they argue, is generic management better characterised by models in the public or private sectors? Walker and Bozeman suggest that the characteristics of management that may vary between sectors include strategies, structures, processes and values, along with functions such as finance and human resources. How are such variations explained, what factors moderate the impact of management on performance, and are these factors the same across the sectors?

**PUBLICNESS AND ORGANIZATIONAL PERFORMANCE**

A major review of the evidence on the impact of publicness on performance has recently been undertaken by Andrews, Boyne and Walker (2011). They categorised studies according to the three characteristics of empirical publicness (ownership, funding and mode of social control) and focused on three measures of performance; effectiveness, efficiency and
equity. They found that publicness effects, and particularly those associated with ownership (the most studied dimension), diminish when differences in management, organization and external constraints are taken into account. They noted, however, that the majority of the studies reviewed were underspecified, and that few researchers included more than one dimension of publicness or tested for the effects of intervening variables. Andrews et al reviewed published research to date against one of four models of publicness and performance, which provide a useful framework for discussion.

In the simplest model it is supposed that public or private ownership has direct consequences for organizational performance. The model suggests that switch from one sector to the other would lead to measurable differences in performance. Property rights theory in economics suggests that public ownership leads to lower efficiency, whilst other theoretical arguments suggest that ownership is associated with inherently different management practices; private organizations are believed to be more innovative, productive and cutting edge.

Their second model assumes that each aspect of publicness (ownership, funding and mode of social control) has a separate effect on performance (Andrews, Boyne & Walker, 2011, i305). This model presents challenges, however, since although ownership and funding are relatively easy to measure the same is not true of mode of social control, whether by market forces or polyarchy. Political control takes many forms; it may include audit, inspection, performance reports and the submission of plans. Control by market forces is assumed to bring higher efficiency, consumer responsiveness and effectiveness in the private sector.

On the other hand the impact of private ownership and funding on performance may be wiped out by heavy government regulation of an organization’s strategy, processes and products. This suggests, say Andrews et al, that political control not only has a separate effect on performance but also moderates the effects of the other two dimensions of publicness. In their third model ownership and funding may themselves have a direct or indirect effect on performance.

Finally, recent studies have shown that public service performance is influenced by organizational variables such as structures, processes and strategies (Ashworth, Boyne & Entwistle, 2010). Andrews et al’s fourth model (See Figure 1) suggests that the impact of publicness on performance is at least partly contingent on organizational characteristics. The effects of ownership, funding and control might be moderated by characteristics found to vary between public and private organizations. Public organizations tend to be more bureaucratic, and public managers tend to have weaker organizational commitment than private sector ones (Boyne, 2002).

In their review Andrews et al identified 129 articles that met their initial criteria. However, they were left with just 31, having removed 98 because they were theoretical or reviews of existing evidence, did not include variations in...
publicness in the research design, used inappropriate measures of performance, did not carry out statistical tests for significant differences, or focused on privatisation or contracting (Andrews, Boyne & Walker, 2011).

The largest number of studies related to ownership. They found the results to be ambiguous. The balance of evidence pointed to non-significant findings of a relationship between ownership and both efficiency and effectiveness. A positive relationship was discernible between ownership and equity, but only three studies examined this. Only a small number of studies of funding were found, making it impossible to draw conclusions about its relationship with performance. And they found only two studies which had examined the relationship between mode of social control and performance, so again they were only able to draw tentative conclusions.

Overall, they concluded that the existing evidence suggests that publicness makes very little difference to performance. The strongest patterns in the evidence were that public ownership leads to more equity, and that public funding may be associated with greater efficiency; however, the magnitude and the direction of the effects vary with the characteristics of the empirical studies. Publicness effects appeared to emerge more strongly in studies with small samples, with cross-sectional research designs, and with few controls for the internal and external features of organizations. A wide range of variables appear to moderate the impact of publicness.

To date most studies of dimensional publicness have focussed on institutions, organizations and their management (Bozeman & Moulton, 2011), although the model is claimed to be equally applicable to policies and policy implementation. It has since been used to explore the mix of economic and political authority in particular policy domains. These included science and technology policy (Crow & Bozeman, 1998), substance abuse (Heinrich & Fournier, 2003) and mortgage lending (Moulton, 2009). For Bozeman and Moulton these studies confirm that any set of government or business firm’s policies can be viewed as representing a distinctive mix of political and economic forces. They suggest that different policy issues require not only different publicness measures, but also a different way of thinking about publicness. Demortain (2004) suggested a distinctive application of dimensional publicness; he argued that publicness could be viewed as a ‘symbol’ that official actors and other stakeholders, regardless of sector, seek to shape and exploit.

More recent studies have further explored the role of goal ambiguity in defining publicness. Chun and Rainey (2005) tested four dimensions of goal ambiguity against a range of performance variables, customer service orientation and managerial effectiveness using data from the 2000 National Partnership for Reinventing Government survey. They found that three types of goal ambiguity (directive, evaluative and priority) were related negatively to managerial effectiveness. In a later study of 115 US federal agencies Lee, Rainey and Chun (2009) looked at the relationship between the external political environment and goal ambiguity variables. They found that higher levels of political salience were related to higher levels of evaluative and priority goal ambiguity.

**NORMATIVE PUBLICNESS: PUBLICNESS AS ATTACHMENT TO PUBLIC SECTOR VALUES**

Other researchers have taken a rather different approach to dimensional publicness. In a study of public organizations in Denmark, Antonsen and Jorgensen (1997) analyzed diversity focusing on variations in degree of publicness. They identified the need to incorporate notions of a public service ethos, and that this could not readily be absorbed within the concept of dimensional publicness. They defined normative publicness as ‘organizational attachment to public sector values’, such as due process, accountability and welfare provision. For them, as for Bozeman, the dimensional approach assumes that the differences between public and private organizations are ones of degree; pub-
liceness is a multi-dimensional and behavioural category, not a legal one.

Antonsen and Jorgensen showed that organizations with a high degree of publicness differed from those with a low degree of publicness. ‘High publicness’ organizations were characterized by complex tasks, professional orientation, many external stakeholders, conflicting environmental demands, and low managerial autonomy. ‘Low publicness’ organizations had the opposite characteristics. Organizations ranked high on publicness were reluctant to adopt organizational changes arising from the new public management, whilst those with low publicness were the opposite. Indicators of normative publicness include the extent to which employees believe that certain services are part of social welfare, or that citizens should not have to pay for the service.

Whilst core publicness describes the ownership or formal legal status of the organization (Scott & Falcone, 1998), and dimensional publicness describes the extent to which the organization is subject to economic and political influence (Bozeman and Bretschneider 1994), normative publicness embodies public values, describing the extent to which organizations adhere to public service values (Moulton, 2009).

**REALISED PUBLICNESS: PUBLIC VALUE-RELATED OUTCOMES**

The nature of public service outcomes has received considerable attention in the literature (Boyne & Law, 2005; Moulton, 2009). They can be defined as outcomes based on public values. Public service outcomes can be measured as the extent to which outcomes or objectives achieve public values. Public service outcomes are related to but are distinct from organizational performance, measures of which include productivity and cost efficiency. Public service outcomes include elements of quality of care that may be difficult to measure. Public service outcome indicators can be found in a variety of sources which include policy mandates, legislative intentions and public opinion polls (Bozeman, 2007).

Moulton (2009) has demonstrated the utility of normative publicness (defined as the extent to which an organization holds public sector values) in organizational studies. Moulton argues that public service outcomes can be delivered by any organization, whether public, private, neither or both. Organizational publicness becomes a mechanism for understanding and managing public outcomes. Organizations that embrace public values will deliver a set of public outcomes. Moulton describes ‘public outcomes predicted by institutions embodying public values’ as ‘realised publicness.’ Public values are demonstrated through organizational behaviour or outcomes (public service outcomes). She developed a model for indicating how public values are translated into realised publicness through the mediation of public value institutions are their strategies (See Figure 2).

Bozeman and Moulton (2011) have noted that since the late 1980s a number of scholars have extended the work on normative publicness beyond government organizations to other sectors, including business (Goldstein & Naor, 2005; Moulton, 2009), hybrid organizations (Emmett & Crow 1988) and non-profit organizations (Nutt & Backoff 1993). Other public administration scholars (De Bruijn & Dicke, 2006; van der Wal & Huberts, 2008) have taken a values-based approach to publicness. These studies share a common concern with public values, and have limited regard for the ownership, funding or control of the organization (Bozeman & Moulton, 2011).

**INTEGRATIVE PUBLICNESS: COMBINING EMPIRICAL AND NORMATIVE PUBLICNESS**

The focus on public service outcomes on the one hand, and on the provision of public services by any willing provider on the other, means that the relationship between public service
outcomes and organizational publicness is now of great interest. Recently attempts have been made to systematically integrate descriptive measures of publicness with more normative approaches. Integration is essential if the theory of dimensional publicness is to be extended beyond describing organizations to predicting varying public service outcomes.

A simple framework for understanding the relationship between public service outcomes, performance and organizational publicness has been developed by Anderson (2012). This offers a mechanism for exploring the relationship between public service outcomes and important aspects of publicness. The framework indicates that, in examining public service outcomes and organizational performance, it is necessary to take account of each type of organizational publicness, since all play some part in determining public service outcomes (See Figure 3).

Bozeman and Moulton have proposed a mechanism for systematically integrating descriptive measures of publicness with more normative approaches. Whilst ‘empirical publicness’ aims to explain organizations and their management on the basis of their mix of political and economic authority, ‘normative publicness’ seeks to identify, prescribe or infuse public values (Bozeman & Moulton, 2011). Until recently these have been separate fields within organizational studies, with little overlap, not least because of the difficulties of blending empirical and normative theory and practice. Efforts have been made to integrate

---

Figure 2. Framework for understanding components of publicness (adapted from Moulton 2009, p.891)
them in an attempt to shed further light on public organization theory and to provide a heuristic framework for strategic management.

This integrative publicness approach involves combining two distinct empirical models; the publicness grid and the public value mapping grid. Researchers have considered extreme measures of performance, such as survival and failure, which has led to publicness studies focusing on public value failures (Bozeman, 2007). Public value failure occurs when neither the market nor the public sector provides the goods and services required to achieve public values. Public value mapping has developed to help identify failures to provide essential public values regardless of market failures.

Bozeman and Moulton (2011) claim that this integrative publicness model (See Figure 4) combining these two approaches, provides a framework for planning and strategic decision-making. To date this appears to have been used only for illustrative purposes. Further conceptualisation and empirical studies are necessary to refine and substantiate the approach, which offers, according to Bozeman, fertile ground for a research agenda which is distinct to the public management field, but which builds critically on work across fields.

**PUBLIC-PRIVATE DIFFERENCES IN HEALTHCARE DELIVERY**

Differences in performance between the public and private sectors, across a wide range of production and service activities, has, then, been an important topic of research in many fields including economics for many years. Indeed work from this discipline has driven much of the policy agenda around privatising the public sector. In many countries the move in this direction has embraced healthcare. Yet the evidence has consistently failed to find significant and worthwhile performance dividends in encouraging the private sector to take over delivery of public health care.

Despite growing evidence that health care organizations are essentially alike in important performance-related aspects, governments

---

Copyright © 2013, IGI Global. Copying or distributing in print or electronic forms without written permission of IGI Global is prohibited.
around the world have continued to pursue policies representing the gradual and creeping privatisation of health care. In presenting a four-part classification of public/private arrangements in healthcare Saltman (2003) demonstrated that the public/private split in European healthcare systems is rather more sharply defined in principle than in practice. Brown and Barnett (2004) studied the co-location of public and private hospitals in Australia, and concluded that the corporate transformation of hospitals resulting from the growth of for-profit hospital chains in Australia effectively created a new hybrid space which was neither private nor public, but which reflected the economic, political and social processes underlying the transformation. More recently Gaughan (2011) has examined the hybridised nature of America’s health care system; he showed how a fully public system, the Medicare programme, became increasingly privatised through a series of policy reforms that began in the 1990s.

In a major study Rosenau and Linder (2003) reviewed two decades of research comparing for-profit and not-for-profit health provider performance in the United States. It was based on 179 assessments, in relation to four performance criteria; access, quality, cost/efficiency and the amount of charity care. They found that overall 29% of the studies found no difference or mixed results, 59% showed not-for-profits to be superior, and only 12% showed for-profits to be superior. Helmig and Lapsley (2001) examined the efficiency of public, welfare and private hospitals in Germany over the period 1991 to 1996; like Rosenau and Linder they found that hospitals in the public and welfare sectors were relatively more efficient than private hospitals. They suggested that hospitals in the three sectors had different best-practice frontiers, that public and welfare hospitals use fewer resources than private hospitals, and that some differences in quality of care arise from ownership.

In their study of public-private sector differences in England Perotin et al. (2013) used patient experience survey data to investigate whether hospital ownership affects the level of quality, other than clinical quality, reported by patients whose care was funded by the National Health Service. They found some differences in the experiences reported by patients in public and private hospitals; most dimensions of quality were delivered differently by the two types of hospitals, with each sector offering greater

Figure 4. Integrative publicness model (adapted from Bozeman & Moulton 2011, p.i371)
quality in certain specialties or to certain groups of patients. However, the sum of all ownership effects was not statistically different. Hospital ownership in itself does not affect the level of quality of the average patient’s reported experience. Differences in reported quality levels were entirely attributable to patient characteristics, the selection of patients into public or private hospitals, and to hospital-specific characteristics, rather than to hospital ownership.

Eggleston et al. (2008) undertook a systematic review of the evidence on hospital ownership and quality of care in the US. They examined factors that explained the diversity of findings regarding hospital ownership and quality. They identified 31 observational studies in English published since 1990 that used multivariate analysis to examine quality of care at non-federal general acute, short-stay US hospitals. They found that ownership does appear to be systematically related to differences in quality among hospitals in several contexts. However, whether studies found for-profit and government-controlled hospitals to have higher mortality rates or rates of adverse events than their non-profit counterparts depended on data sources, time period, and region covered. Ownership itself was not the determining factor. The ‘true’ effect of ownership, they concluded, appeared to depend on institutional context, including differences across regions, markets, and over time.

When looking at hospital pharmacy services in the UK Anderson found no difference in the performance of hospital pharmacies in the public and private sectors (Anderson, 1995). In their study of US hospitals Goldstein and Naor (2005) found that ownership and control were related to some quality management practices, but goal setting and funding were not. Studies focussing on quality of care have generally found little or no difference between the sectors; both sectors are equally capable of delivering good or bad service. Amirkhanyan et al. (2008) looked at service quality and access to nursing home services for impoverished clients. They found no difference in the quality of service provided by public and not-for-profit organizations, and that both performed significantly better than for-profit ones. In their study of the quality of service provided from public and private pharmacies Syhakhang et al. (2001) found that in resource-constrained circumstances both performed sub-optimally. These and many other studies suggest that there is now clear evidence to support the conclusion that, as far as the ‘important aspects’ of efficiency, effectiveness and quality are concerned, public and private healthcare organizations are more alike than different.

Alongside investigations into possible differences in these ‘important aspects’ came research on the supposedly ‘unimportant aspects’ of management, organization and structure. A number of studies have examined whether management differed in important ways between the public and private sectors, and if so what these ways were. In his study looking at management in public and private organizations Allison (1983) concluded that ‘public and private management are at least as different as they are similar, and differences are more important than the similarities.’ What matters is management, rather than whether the organization was owned by the public or private sectors.

This largely confirmed the findings of Fot-tier (1981) who asked ‘is management really generic?’ He examined management in four types of organization along the public-private continuum; private for-profit, private not-for-profit, private quasi-public, and public. He concluded that different organizational types had different management functions; variations in dependence on the external environment created different values, incentives and constraints for management. Resulting differences in how basic management processes were implemented were highly significant. Generic theories of management, in which general principles of management could be applied regardless of the type of organization involved, were discounted. Management, he concluded, had to take account of the nature of the organization, including its ownership, funding and mode of social control.
Further support for paying greater attention to management rather than ownership came from Boyne (2002). By the 1990s proponents of the New Public Management (NPM) were advocating that public organizations should import managerial processes and behaviours from the private sector (Ferlie et al., 1996). However critics of NPM argued that actually the differences between public and private organizations were so great that business practices could not be transferred to the public sector. Boyne reviewed 34 empirical studies of differences between public agencies and private firms. He found that only three of the publicness hypotheses were supported; public organizations were more bureaucratic, and public managers were both less materialistic and had weaker organizational commitment than those in the private sector. He concluded that the available evidence did not support the view that public and private management are fundamentally dissimilar in all important respects. The similarities were far greater than the differences.

So Boyne, too, concluded that Sayre got it wrong. He demonstrated ‘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.’ He went on to proclaim that public managers should seek to emulate the supposedly successful techniques of their private sector counterparts (e.g. management by objectives, total quality management, devolved management performance-related pay’).

These findings have since been replicated in the health care setting and across a range of countries. In a study of public and private managers in Sweden Andersen (2010) found that although there were differences in behaviour between them, no significant differences in leadership behaviour were discovered amongst public managers. In their study of behavioural differences in the Italian health service Barbetta et al (2007) found no difference in efficiency between public and private not-for-profit hospitals. They concluded that any different in economic performance between different ownership forms were the result of institutional settings rather than the effect of incentive structures embedded in different proprietary forms.

The evidence to date, therefore, points overwhelmingly to two basic conclusions; that Sayre’s ‘important aspects’ (outcome measures such as efficiency and effectiveness) are not fundamentally different between the public and private sectors; and that, in fact, neither are his ‘unimportant aspects’ (design factors such as management, structure and organization). Our conclusion too must therefore be that Sayre was wrong, and that, as far as health care is concerned, public and private organizations are alike in all important respects. We now need to consider the implications of this for future research.

PUBLICNESS IN ORGANIZATION THEORY: FUTURE RESEARCH DIRECTIONS

Publicness studies of organizations have produced some significant and worthwhile results over the years; meaningful measures with some explanatory power have been developed; the concept has been broadened to accommodate additional meanings of publicness; and frameworks have been proposed to aid the design of further studies. The use of publicness in organization studies has helped to identify differences between and within public and private organizations that were not previously apparent; and we now have more ways of exploring these differences.

Whilst publicness theory has undoubtedly made great advances in recent years it is appropriate to ask whether this research has fulfilled it early promise. However, it was never claimed that publicness could provide answers that other theories could not, not least because of inter-disciplinary rivalry. Bozeman and Moulton note that from the beginning, publicness theory faced two intellectual battle fronts; on the one side were the political scientists and
the public administration scholars, who took as their starting point the fact that public organizations were unique; on the other side were the organization theorists, who disregarded public status altogether. For them, any empirical differences between public and private organizations were the result of lack of understanding, or errors in model specification (Bozeman & Moulton, 2011).

The conclusion that Andrews, Boyne and Walker (2011, i317) reach is that, despite the extensive research that has been carried out, it is impossible to conclude with any confidence that publicness makes either a positive or negative difference to organizational performance, or to judge which of the three dimensions of publicness is most important and for which aspects of organizational performance. We still lack unequivocal evidence that particular aspects of core, dimensional or normative publicness impact aspects of organizational performance in particular ways; and this statement is as true of the healthcare sector as any other (Anderson, 2013).

There is nevertheless no shortage of suggestions about the way forward for organizational studies of publicness. Organization theorists such as Meier and O’Toole (2011) argue that the public-private research agenda needs to move to ‘both theoretical development and also testing of organizational performance by sector.’ They have built on a formal model of management and performance, and used a ‘set of explicit assumptions to derive a series of testable hypotheses about sectoral differences that bear on performance.’ Additional empirical work on public-private differences is currently underway, which Meier and O’Toole believe will drive further theoretical development. They suggest that a systematic effort to test performance-related hypotheses can move research in this field toward a set of critical and practically important issues. Moreover, they argue that this research agenda should be a priority (Meier & O’Toole, 2011).

Rainey too (2011) argues that future research needs to develop clearer theoretical rationales for why and how publicness (specifically core or dimensional publicness) makes a difference. One of the difficulties is knowing the extent to which findings in this area are cumulative. Rainey suggests that elements of these rationales need to be better represented in research designs; he finds that the small set of studies on dimensional publicness provide examples of one approach to such elaborated analysis. Rainey found that many of the published publicness studies appear to be exploratory; he thinks researchers need to be more thorough in their review of previous studies to consider how their concepts, variables and measures relate to previous studies and can be used to provide for the accumulation of findings (Rainey, 2011).

Rainey also makes a number of suggestions about the design of future studies. The most desirable sample, he suggests, is a large, representative one, which includes many different organizational types and settings; stratification of the sample should permit inclusion of organizations that operate in both the public and private sectors and which vary in publicness. Yet the design of such studies presents enormous challenges, not least the very high resource requirements, the problems of getting adequate response rates, and defining the variables. He therefore argues that smaller, opportunistic studies should continue, not least because many have produced significant findings and meaningful results (Rainey, 2011).

Unsurprisingly researchers working in the field of publicness studies believe that it is important to continue with this line of work. Brewer and Brewer (2011) have echoed recent calls for public management research to focus more on the core question of whether particular groups of goods and services, not least healthcare, are better delivered by government, the private sector, public-private partnerships or non-profit organizations, and to use multiple methods to advance knowledge in the field. They call for more experimental research on the public/private distinction. Their research explores the vigilance of individuals when performing work in publicly-funded versus privately-funded research projects. They found
that individuals are significantly faster, more accurate and more vigilant when their work is funded by a government agency rather than privately funded. They concluded that public goods and services requiring fast, accurate and vigilant workers are better provided by the public rather than the private sector; and that participants in such services perform better when working for the public rather than the private sector.

Andrews, Boyne and Walker (2011, 316) identified the need for further research that includes all the dimensions of publicness, a wide variety of performance measures, and the moderating effects of management, organization and external constraints. They also identified the need for the use of research designs using larger samples; for comparisons of public and private performance over time; for the inclusion of controls for managerial, organizational and environmental variables; and which test such variables for moderating effects. Including all three dimensions of publicness, covering a range of aspects of organizational performance, and developing and testing propositions on the moderating effect of management, organization and environment would substantially enhance the evidence base. Effort is urgently needed, they suggest, to establish key variables that moderate the publicness-performance relationship, including ways in which regulation influences the effects of ownership and funding.

CONCLUSION: THE END OF PUBLICNESS?

Overall, recent reviews and analysis suggest that future empirical research on organizational publicness needs to be more focused, more joined up and more strategic than it has been in the past. There are also clear calls for new avenues to be explored, and new influences to be investigated; and there are hints that perhaps the expectations of such studies should be revised.

Bozeman claims that an integrative publicness approach will allow ‘dynamic changes in institutional publicness and institutional configurations more generally’ to be mapped ‘alongside changes in realised public values in a given policy context, enhancing public managers’ ability to navigate and shape institutional environments and organizations.’ This is rather different from helping them to run their organizations more efficiently. According to Bozeman, from the beginning publicness theory found little common ground with generic organization theory. It was much more aligned with the public administration of the distinctiveness of public organizations.

The competing objectives and priorities for future research emerge from reviews of research carried out across many different fields, including education, defence, housing and healthcare. Despite their differences the conclusions drawn from them all is broadly similar; that public and private organizations with similar functions are more alike than different. This paper has focused particularly on the evidence available from the healthcare field where there might be good reason to suppose that public and private organizations are alike in all ‘unimportant respects’ such as similar management practices. These factors have played an important part in debates surrounding public-private partnerships and privatisation in healthcare. Yet even here the evidence is clear; both the important respects and the unimportant respects are surprisingly alike in both sectors. The findings from healthcare thus strongly confirm those from other fields.

The suggestions for future research illustrate the dilemma for organization theorists working in the field of publicness; how do you design, conduct and more importantly get the funding for studies that attempt to answer so many questions and capture so much simultaneously? Serious doubts arise as to whether the kind of evidence demanded can ever be obtained, what difference it would make if we could find it, and whether the costs and efforts involved in the search can ever be justified.

Obtaining such evidence, and carrying out the sorts of studies described above, requires the testing of large numbers of variables using very large samples. Realistically, it is difficult to see
such studies being carried out; the costs involved are prohibitive, and funders are reluctant to commit funds to studies unless publicness studies can offer realistic prospects of identifying important insights into organizational design and performance which can make a difference, and of helping policy makers when designing new organizations.

The question that remains is whether such research effort can be justified. It is clear that the fundamental question (does publicness have a significant effect on organizational performance?) has already been answered. The answer is a resounding no. We are in a position to refute Sayre’s assertion, that ‘public and private organizations are alike in all unimportant respects’ once and for all. We can now be confident in asserting that ‘public and private organizations are alike in all important respects’ and that the list of important respects is headed by management and organization. This then is where the focus of research needs to be, building on recent research which has explored these core questions; on relationships between structure and performance (Jung & Kin, 2014) and on performance management (Nielsen, 2014). Perhaps publicness theory in organizational studies has run its course.

REFERENCES


Stuart Anderson is the acting Dean of Education at the London School of Hygiene & Tropical Medicine. He was previously senior lecturer in organizational behaviour at the School, and academic director at the National Co-ordinating Centre for NHS Service Delivery and Organization Research and Development. His principal research interests are in organizational studies in health care, in the application of organizational theory to health care, and in the implementation of research evidence in practice. His publications have included comparative studies of public and private provision of health care, performance measurement, and studies of the interface between primary and secondary care.
CALL FOR ARTICLES


An official publication of the Information Resources Management Association

MISSION:
As debates over public and private healthcare dominate popular media, the mission of the International Journal of Public and Private Healthcare Management and Economics (IJPPHME) is to compare public and private healthcare organizations and systems and examine their differences in terms of service, deliver, and cost. IJPPHME looks to answer the question whether public and private sector health care organizations have complementary or contradictory roles to play in providing this vital service to citizens, taking into account the impact of citizens and information technology in these processes.

COVERAGE/MAJOR TOPICS:
• Comparative Methodology
• Costs differences in public-private management
• Hybrid forms of organizing
• Incentives for public and private service delivery
• Privatization, out-sourcing, and contracting-out
• Public and private health care management
• Public and private information management
• Public and private service management

All inquiries regarding IJPPHME should be directed to the attention of:
Jari Vuori, Editor-in-Chief
jari.vuori@uef.fi

All manuscript submissions to IJPHE should be sent through the online submission system:
http://www.igi-global.com/authorseditors/titlesubmission/newproject.aspx

Ideas for Special Theme Issues may be submitted to the Editor-in-Chief.

Please recommend this publication to your librarian. For a convenient easy-to-use library recommendation form, please visit:
http://www.igi-global.com/IJPPHME