The Bureaucrat, the Businessperson and their Perception of Each Other's Value Orientations
Empirical Notions on the Other Sector's Most Important Organizational Values

ABSTRACT

How do business and government managers perceive each other's value orientations? The debate on ethics in the public and private sectors has largely neglected this question. A survey of 231 top-level government officials and 151 business executives in the Netherlands found remarkable differences between the moral self-images of public and private sector managers and their perceptions of each other. An important practical implication is that managers in each sector should be aware of the ways their ethical self-images differ from those of their counterparts in the other arena.

INTRODUCTION

The number of studies on organizational values in public and private sector settings has been growing rapidly over the last two decades (on the public sector, see, for instance, Bowman 1990; Bowman and Williams 1997; Goss 2003; Kernaghan 2000, 2003; Kim 2001; Posner and Schmidt 1986; on the private sector, see Agle and Caldwell 1999; Posner and Schmidt 1993; Schmidt and Posner 1984; Watson et al. 2004). Although increasing attention is being paid to the ethical differences and similarities between government and business (Posner and Schmidt 1996; Schultz 2004), the issue of how those in one sector perceive the values of those in the other sector seems to have been overlooked. It is, however, relevant, both academically and for practical reasons, to gain insight on the attitudes and views of private sector managers toward the public sector, and vice versa.

Traditionally, the perception of government by business scholars and (neo)classical economists (e.g., Friedman 1962; Smith 1776/1937) as well as the perception of business by public administration and political science scholars (e.g., Frederickson 1993, 2005; Lindblom 1977) has been normative, and sometimes even ideological in nature (especially when values are discussed). How those in either sector assess the morality of those in the other sector has only, so far, been addressed in a general way (Bowman 1990; Bowman and Williams 1997; van den Heuvel et al. 2002) and has not been studied specifically and empirically.

This is remarkable, because managers in each sector can benefit from knowing how their value patterns are perceived by their counterparts in the other sector. The practical value of such knowledge is evident not only when public and private organizations have to assess each other for legislative or investment purposes, and thus have to assess themselves through the eyes of the other, but also when they initiate public-private partnerships. The strategic management literature on alliances and partnerships often emphasizes that managing cultural differences and knowing about one another's perceptions are of crucial importance to the success of partnerships (Doz and Hamel 1998; Haspeslagh and Jemison 1991). The specific importance of reflection on the perception of the other sector's values in public-private partnerships has also been acknowledged (Ghere 2001a, 2001b; Robertson and Muhittin 2004).

The main question here is: Which organizational values are deemed most important for the public sector by private sector managers, and which organizational values are deemed most important for the private sector by public sector managers? The present article reports on the results of an explorative survey study of 231 mid-level and top-level Dutch federal government executives, and 151 business executives of mid-sized and large companies based in the Netherlands.[1] The participants were comparable with regard to age, gender, number of employees supervised, and years of employment in their present organization. Among other issues, the respondents were asked to select the five most important organizational values of the other sector in order of importance. In the discussion that follows, the rankings are analyzed and compared with the rankings made by the respondents for their own sector. The discussion also looks at whether past employment in the other sector results in significantly different perceptions.

A short literature overview is first presented on the differences and similarities between public and private organizations, with an emphasis on the organizational values in the two sectors. A number of characteristics and perceptions of civil servants and businesspeople, and their perception of each other's morality, are provided. After explaining the methodology used in this research, the empirical results are presented and conclusions are drawn. The locus of analysis concerns the perception of the most important values for the other sector. Special attention will be paid throughout to whether having actual work experience in the

other sector influences this perception. The article concludes with some implications for further research and for managerial practice.

BUREAUCRATS AND BUSINESSPERSONS: AN IDEOLOGICAL DEBATE

In general, two types of debates on the differences and similarities between public and private sector organizations have taken two forms. First, there is a primarily technical debate on the differences between public and private organizations in general, and especially in the area of management. Important differences have been found in media relations and the extent to which actions and policies are subject to public scrutiny, the role of rationality (facts and figures) and emotions in decision-making processes, measurability of performance and effectiveness, and the time perspective of policy development (Allison 1992; Ross 1988). Second, there is a normative, controversy debate in which government and business each portray the other mostly in negative terms, and respectively see profit maximizing, on the one hand, and bureaucracy, on the other, as undesirable. This is a controversy with a strong "ideological twist" (Noordegraaf and Abma 2003, 857), in which overstatements and hyperbole prevail.

In this debate, traditional characteristics of government organizations (neutrality, predictability, loyalty, reliability of behavior) and business organizations (profit-seeking, courage, innovation, effectiveness) are not interpreted positively but are perceived in terms of burdens and side-effects. Public organizations and their employees (bureaucrats) are portrayed as dysfunctional, ineffective, alienated, suffering from trained incapacity, and bound by constraining rather than effective rules, better known as red tape (Bozeman 2000; Bozeman and Turaga 2005; Guyot 1962; Merton 1968). The ethic of bureaucracy is characterized by inefficiency and incompetence (Crozier 1964), and bureaucracy is sometimes even treated as equivalent to corruption, in contrast with Max Weber's ideal (1968). Similar characterizations and attitudes can also be found among entrepreneurs when discussing, for instance, the role of government and regulation in foreign investment (Asia-Pacific Foundation 2003).

In turn, businesses and their employees (business entrepreneurs) are often described as greedy people who think of nothing but making a buck by single-mindedly and ruthlessly pursuing their own interests and those of stockholders (de Graaf 2003). Probably the most well known description of the ethics of the marketplace is that of Adam Smith (1776/1937, 19), who states that "it is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages."

In Western culture, stories about businesspeople who seem not to care about the effects of their activities on the environment, the public weal, or even the lives of ordinary people are abundant. Just think of Dickens's Scrooge or The Grapes of Wrath. Similar attitudes toward the business sector can be found among politicians, civil servants, the general public, and especially the media, all of whom seem to have little trust in corporations and their leaders (Gallup 2005; Transparency International 2005). In the business administration literature, Adam Smith (1776/1937) and Milton Friedman (1962, 1970) are often brought on stage as defenders of the morality of making money. Making money for shareholders is simply the sole responsibility of the business manager. Those who want to use the company's money— money that belongs to shareholders—for some supposed good cause are thieves.

When values are addressed specifically, public administration scholars often perceive business values as very different from government values, and their appreciation by government organizations and managers is seen as undesirable (Frederickson 1993, 1999;

Lane 1994; Maesschalk 2004). Intermixing or convergence of public and private sector values in business organizations poses complex ethical questions (Schultz 2004), leads to "inefficiency and waste" (Jacobs 1992), and is therefore undesirable. Others are optimistic rather than pessimistic. They emphasize the similarities between social and organizational values, and point to the positive aspects of intermixing and hybridism (Caiden 1999; In't Veld 1997; Kaptein 1998; Voth 1999).

Many of these more specific opinions on public and private sector values seem to be infused with fear of the intermixing and convergence of public and private values, a fear derived from the paradigms of the New Public Management (Hood 1991), Reinventing Government (Osborne and Gaebler 1992), and Corporate Social Responsibility (Carroll 1979, 1991, 1999; McWilliams and Siegel 2001). Contradictory views exist among scholars on the differences, similarities, and interrelationships between the values in both realms. The most influential views are summarized here.

PUBLIC AND PRIVATE SECTOR ORGANIZATIONAL VALUES: DIFFERENCES AND SIMILARITIES

Most scholars emphasize the differences between public and private sector values. A prominent representative is the anthropologist Jane Jacobs. Distinguishing between two moral syndromes, commercial and guardian (a pair of contradictions), Jacobs states that

> Because we posses … two radically different ways of dealing with our needs, we also have two radically different systems of morals and values – both systems valid and necessary. The human race has accomplished the two moral and value systems during millennia of experience with trading and producing, on the one hand, and with organizing and managing territories, on the other hand. For one thing, many of us have taken on casts of mind so skewed toward one set of morals and values that we have little understanding of the other, and little if any appreciation of its integrity too. Behavior that (randomly) picks and chooses precepts from both syndromes creates monstrous moral hybrids; you can't mix up such contradictory moral syndromes without opening up moral abysses and producing all kinds of functional messes. (1992, xi–xii)

Many other scholars also emphasize sectoral differences but are not as pessimistic as Jacobs, although some are concerned about the possibility of a businesslike government or a government-like business. Public administration scholars often assume a relationship between nonprofit management (NPM) and unethical behavior or integrity violations by public servants (Bovens 1996; Frederickson 1999, 2005; Lane 1994, 1995), even though there is no substantial empirical evidence for this relationship (Kolthoff et al. 2006; Lawton 1998). It is argued that the public administrative framework cannot easily be replaced by the "new" managerial approach because the former has qualities not covered by the latter: "the notion of justice looms in the public sector, but where does it fit into the internal market framework?" (Lane 1995, 200). Frederickson (2005) emphasizes the conflicts between crucial values like fairness and efficiency: "the private market is designed to be efficient but not to be fair; democratic self-government is designed to at least try to be fair, and hopes to be efficient" (p. 178). He fears that corruption and unethical behavior in government are on the rise because we are trying to run public organizations as if they were businesses. According to Schultz (2004), discussions of the problematic aspects of intermingling deal almost exclusively with the concern that the blurring of sectoral lines implies an

increased appeal to market values in the public sector. Nonetheless, the opposite is also true:

> Although many would laud the move to encourage corporate social responsibility and ethical behavior, especially in light of the recent Wall Street scandals, the intermixing of public and private functions raises vexing ethical questions similar to those when governmental or non-profit entities intermix. The result may be that no clear set of ethical rules dominates. (p. 292).

Some scholars emphasize the similarities between public and private sector values, and state that the same moral dimensions and criteria "can" (Kaptein 1998, 9) or even "should" (Caiden 1999, 26) be applied to all kinds of organizations. Voth (1999) recognizes the differences, but has a more positive view of hybridism:

> when the public and private sectors collaborate and partner, an exhilarating challenge of cultural "clash" comes into play. The two sectors build bridges to meet their collaborative needs and the specific needs of their clients, both find harmony in the empathetic application of fundamental human behavioral values. (p. 56)

In't Veld (1997) acknowledges some difficulties but also shares this positive view, pointing to the specific intercultural function of hybrid organizations in modern society. Others who are optimistic about the consequences of more interaction between the market sector and the state include Lawton (1998, 1999) and Taylor (1999). The latter's main point is: Do not assume that the public sector is more ethically aware than the private sector.

At the 1998 International Institute for Public Ethics (IIPE) conference "Integrity at the Public-Private Interface," scholars seemed to emphasize similarities rather than differences: 85 percent of the approximately 125 participants agreed with the thesis that "private sector ethics and public sector ethics share basic values and norms (and thus are very much alike)."

ASSESSING THE MORALITY OF THE OTHER SECTOR

After looking at these normative statements and dispositions, the main question of this article presents itself: How do government and business managers *themselves* actually perceive one another's morality? Up to now, this issue has been addressed only on a general level. In a survey of civil servants in the United States, and its follow-up, nearly 90 percent rejected the claim that "government morality in America is lower than business morality" (Bowman 1990, 346; Bowman and Williams 1997, 518). Accordingly, civil servants clearly do not consider private enterprise a standard for behavior in public organizations. Van den Heuvel et al. (2002) addressed the same question in an empirical study of politicians and civil servants in the Netherlands. Seventy-five percent of the politicians and civil servants disagreed with the thesis that morals are in better shape in the private sector (higher values and norms) than in the public sector (almost a third of the respondents *strongly* disagreed). Surprisingly, respondents of many different political preferences, but most especially respondents of a conservative bent, agreed with the thesis. These results, however, do not specifically address organizational values.

There is little empirical literature on business managers' perceptions of government values. In some surveys, however, entrepreneurs portray government in moralizing terms, seeing it as ineffective, inefficient, constraining innovativeness, and prone to corruption (Asia-Pacific Foundation 2003; Transparency International 2005).

METHODOLOGY, MEASURES, AND CONCEPTS

To answer the main research question, a mail survey was sent in 2005 to 778 managers of governmental organizations (response rate 30.16 percent) and 500 managers of business organizations (response rate 30.44 percent) in the Netherlands.[2] This respectable response rate, given the type of respondent, is comparable to earlier surveys of top managers, albeit somewhat lower than most public sector response rates and considerably higher than most business response rates (cf. Goss 2003; Kim 2001; Posner and Schmidt 1986, 1993, 1996). The questionnaire was distributed in cooperation with two professional associations, Senior Public Service (in Dutch: ABD) and the Dutch Center of Executive and Non-Executive Directors (in Dutch: NCD).[3] ABD is the professional association of the top managers of the federal government; its database consists of almost 800 heads of directorates, departments, and agencies, who automatically became members when they reach a certain hierarchical and salary level. The NCD is a voluntary professional association of 4,500 executives and non–executive board members of small, medium-sized, and large companies in different areas (predominantly finance, consultancy, industrial, legal, and infrastructure).

The entire membership of the ABD was surveyed. A random selection of 500 managers was chosen from the NCD membership: 400 from companies with at least 50 (but fewer than 1,000) employees, and 100 from companies with at least 1,000 employees. The sample of NCD members was selected with an eye to making it comparable with the ABD members, who ranged from bureau chiefs supervising a few dozen employees to department heads supervising up to 30,000 employees.[4] Because (top) management generally has a better overview of the entire organizational culture and practice than employees with specific tasks or managers of small units or departments, the members of the first group were chosen as respondents. Table 1 shows a number of important respondent characteristics.

Table 1. Respondent characteristics (sample and population if available)

	Public Sector (n=231)	*Private sector (n=151)*
Age:		
26-35	0% (1.2%)	1.3% (3%)
36-45	20% (19.4%)	17.3% (18%)
46-55	55.2% (51.2%)	40.7% (37%)
56 and older	24.8% (28.2%)	40.7% (31%)
Gender		
M:	85.3% (85.2%)	96.7% (94%)
F:	14.7% (14.8%)	3.3% (6%)
Number of employees supervised:		
< 100	56.6%	36.2%
100-500	26.9%	26.9%
> 500	16.5%	36.9%
Working at present organization:		
< 1 year	5.7%	4%
1-5 years	31.3%	23.5%
5-10 years	8.7%	17.4%
> 10 years	54.3%	55%
Average number of employees entire organization	N/a	4259
Has worked in the other sector	33%	28.5%

A mixed set of twenty values and their definitions were presented to the respondents. It contained a priori public values, such as impartiality and responsiveness, a priori private values, such as profitability and innovativeness, and a priori common core values, such as expertise and accountability. The value set was based on extensive theoretical and empirical research, including a bibliometric analysis of a good many recent issues of *Public Integrity, Public Administration Review, Journal of Business Ethics, and Business Ethics Quarterly*, as well as several books on organizational values, codes of conduct of public and private sector organizations, and government documents on ethics and values. The thirteen most relevant values for both sectors were determined using a search protocol, a clustering system, and a set of fifteen variables in order to determine the importance, relevance, and characteristics of the values deduced from the literature (see van der Wal et al. 2006).

Organizational ethics scholars often mention the recurring problem of disagreement on defining and measuring values (cf. Posner and Schmidt 1986, 448), which has led to a "values literature confusion" (Agle and Caldwell 1999, 327–328). This confusion results from the constant use of different instruments and concepts, which makes it almost impossible to accumulate a coherent body of knowledge (Connor and Becker 1994). Because measuring values is a complex and controversial endeavor, responses to a questionnaire may not represent actual managerial behavior. However, broad agreement exists on the fact that values cannot actually be "seen" or "heard" and can only be observed in the ways they manifest themselves through attitudes, preferences, decision-making, and action (Beyer 1981; Kluckhohn 1957; Posner and Schmidt 1986; Rokeach 1973). Therefore, using single value statements indeed seems a useful method to gain insight into general value patterns. According to Kluckhohn, what we say about our values is sometimes truer from a long-term viewpoint than inferences drawn from our actions: "As a matter of fact, people often lie by their acts and tell the truth with words: speech is a form of behavior itself" (1957, 406). The same goes for written statements, Kluckhohn states, regardless of what the deviations in behavior might be. Because the objective here was to study the perception of values, a self-completion survey seemed appropriate.

Values are defined for the purposes of this study as "judgments of worth that guide decision-making and action" (cf. van der Wal et al. 2006). They are broader and more general than norms, which are regulations prescribing the proper conduct in certain situations. Morality denotes values and norms taken together. And ethics is the systematic reflection on morality. The focus of this study is on shared organizational values. It has been convincingly argued in previous studies that organizations have their own specific sets of values encoded into an organizational culture (e.g., Deal and Kennedy 1982). It has even been suggested that the enculturation process of employees involves, in part, getting them to abandon their individual morals and values as the basis of ethical judgments and replace them with an organizationally based collective ethic (Jackall 1988). Participants in the study were asked to report for their entire organization (or subunit) and not to report personal moral perceptions.

Respondents were asked to rank in order of importance the five most important of twenty listed organizational values for their own sector and for the other sector. Through recoding and adding up the scores, a specific hierarchy was created.[5] Large differences between the absolute scores attributed in both sectors are due to the difference in the size between the two samples (231 vs. 151 subjects). The data analysis concerns the ranked value perceptions for the other sector, and the differences between those who had ever worked in the other sector and those who had not. Age, gender, and management level were not part of the analysis here.

RESULTS: PRIVATE SECTOR PERCEPTIONS OF PUBLIC SECTOR ORGANIZATIONAL VALUES

The results for the public sector are presented in Table 2. They answer the question: "What do public managers and business managers of medium-sized and large corporations perceive to be the most important organizational values for public sector organizations and where do their perceptions of the public sector differ?"

Table 2. Ten Most Important Public Sector Organizational Values According to Government and Business Managers (aggregated sum of scores and frequencies)

According to government managers		According to business managers	
Accountability	($\sum$=413)	Reliability	($\sum$=239)
Lawfulness	($\sum$=412)	Lawfulness	($\sum$=201)
Incorruptibility	($\sum$=359)	Accountability	($\sum$=195)
Expertise	($\sum$=346)	Incorruptibility	($\sum$=173)
Reliability	($\sum$=293)	Transparency	($\sum$=160)
Effectiveness	($\sum$=281)	Efficiency	($\sum$=152)
Impartiality	($\sum$=220)	Serviceability	($\sum$=150)
Efficiency	($\sum$=180)	Expertise	($\sum$=149)
Transparency	($\sum$=158)	Impartiality	($\sum$=140)
Serviceability	($\sum$=128)	Effectiveness	($\sum$=135)

When the scores are compared, a number of interesting findings can be seen. First is the striking result that the ten values in both sets are identical. The same values mentioned by public executives are listed among the most important public values by business managers. Almost similar are the high rankings with regard to lawfulness, accountability, and incorruptibility. The differences concern transparency and serviceability (perceived as considerably more important for the public sector by business managers than by public sector managers), and expertise and effectiveness (perceived as considerably less important for the public sector by business managers than by government managers).

The majority of private sector participants (71.5 percent) were never employed in government and thus held views nurtured only in business. In order to see whether the perceptions of business managers were influenced by experience as a government employee, we took a closer look at the 28.5 percent who were, at some stage in their career, employed in the public arena. It turned out that the business managers with a public sector past perceived transparency, which was ranked fifth by the private sector respondents in Table 2, to be the most important public sector value, whereas it was ranked ninth by business managers without public experience. Incorruptibility, lawfulness, and accountability were the next most important public sector values, according to these business managers. These values were also ranked high by business managers with no public sector employment experience. Reliability, which was ranked first in Table 2, was ranked fifth by the business managers with public experience. The top ranking can be explained by the overwhelming scores on reliability by corporate managers without public experience, combined with moderate scores by those with such a past. Efficiency was rated ninth instead of sixth. The top ten of the business managers with a public past consisted of the same values as the top ten of business managers without such experience. None of the differences between the groups were statistically significant, based upon an independent-samples t test.

RESULTS: PUBLIC SECTOR PERCEPTIONS OF PRIVATE SECTOR ORGANIZATIONAL VALUES

What do public and private arena managers perceive to be the most important organizational values for private sector organizations and where do their perceptions of the private sector differ? The beginning of an answer can be found in Table 3.

Table 3. Ten Most Important Business Values According to Business and Government Managers (aggregated sum of scores and frequencies)

According to business managers		According to government managers	
Profitability	($\sum$=255)	Profitability	($\sum$=845)
Accountability	($\sum$=206)	Efficiency	($\sum$=515)
Reliability	($\sum$=200)	Effectiveness	($\sum$=500)
Effectiveness	($\sum$=192)	Innovativeness	($\sum$=337)
Expertise	($\sum$=189)	Responsiveness	($\sum$=237)
Efficiency	($\sum$=150)	Expertise	($\sum$=165)
Honesty	($\sum$=126)	Reliability	($\sum$=115)
Innovativeness	($\sum$=115)	Serviceability	($\sum$=100)
Incorruptibility	($\sum$=108)	Accountability	($\sum$=96)
Dedication	($\sum$=94)	Dedication	($\sum$=74)

When the scores of business managers and government managers are compared, again a number of differences and similarities can be seen. First of all, in the top ten of business values ranked by public sector executives, there is a large difference between the scores for the first four values (the first three in particular) and the rest. The public sector respondents considered profitability, efficiency, effectiveness, and innovativeness as by far the most important business values—government managers have a rather traditional perception of the private sector. Also noteworthy is the presence of responsiveness and serviceability in the list made up by the public managers, since these values were absent in the top ten of business managers. Reliability and especially accountability, on the other hand, were perceived by public administrators to be less important in private sector organizations—a somewhat contradictory result. Incorruptibility and honesty were not present among the ten most important business values, according to public managers, whereas business managers perceived these strong ethical values to be reasonably important.

The majority of the public participants, 67 percent, were never employed in the private sector. When the perceptions of the 33 percent that were employed in business at some time are compared with the perceptions of the group that was not, only marginal differences can be detected. Reliability was perceived to be more important in the private sector by those who had themselves worked there; it was ranked seventh by the group with a private past, and ninth by those with no such experience. In contrast with the two groups in the business sample, "only" nine out of the top ten values were the same: sustainability was mentioned as the tenth most important value for the private sector by public sector participants with a private past, while dedication was absent from their rankings. None of the differences between the groups were statistically significant, based upon an independent-samples t test.

DISCUSSION AND CONCLUSIONS

Looking at Tables 2 and 3, public and private executives turn out to be fairly traditional in their value perceptions with regard to both their own and the other sector, when compared to most of the literature discussed above, and the value set upon which the survey was based

(Van der Wal et al. 2006). The study, however, provided a number of interesting and surprising results.

In general, managers of private organizations perceived public organizations as attributing the most value to reliability, lawfulness, accountability, and incorruptibility. Government managers themselves deemed very similar values important for their own sector. Business managers perceived government organizations as attributing less value to effectiveness and accountability, and much less to expertise, than public sector organizations do. Surprisingly, managers of private organizations were much more likely than public sector managers to perceive public organizations as attributing value to reliability and efficiency, and even more to transparency.

One could interpret this result as an effect of business managers' having a somewhat "political" view of government organizations. When asked to rank the most important values for public organizations, they may have been thinking of politicians, who are always inclined to act transparently. After all, the often-portrayed image of bureaucrats is that of men and women working behind closed doors, untouched by society, their most important stakeholder, and sometimes even out of touch with it. The political view might also explain the low ranking by private managers of expertise as an important public sector value; they perceive government decision-making to be guided by political considerations and irrationalities rather then by facts, figures, and knowledge (cf. Ross 1988). Business managers with public sector experience perceived government organizations to be less guided by reliability and efficiency than those without such a background. A possible explanation could be that these managers changed sectors precisely because of their negative experiences with inefficiency or unreliable behavior in the public sector.

Public officials perceive that much value is attributed to responsiveness and serviceability in private organizations, whereas these values are absent in the top ten of business managers of their own sector. This noteworthy result implies that civil servants have a more outward and stakeholder-oriented value perception of private organizations than the managers of these organizations. It points to an idealized, but unfounded, image of business among civil servants. This result is even more remarkable when one takes into account the absence of responsiveness among the top ten public sector values as ranked by public managers themselves. This value denotes that acting and decision-making are in accordance with and guided by interaction with all relevant stakeholders—citizens in the public context. It is surprising that business managers themselves do not mention responsiveness and serviceability as crucial values, because these imply interaction and good relations with stakeholders, customers in particular, and serve as guiding principles according to many managers and business scholars.

Somewhat in accordance with the common image in the public administration literature (cf. Frederickson 1993, 2005; Lane 1995) and earlier findings that civil servants view the business sector as less ethical and more prone to corruption (Bowman 1990; Bowman and Williams 1997; van den Heuvel et al. 2002), public sector managers perceived private sector organizations as attributing less value to strong ethical values like reliability and, in particular, honesty and incorruptibility. The latter two were absent from the ten most important business values mentioned by public managers. They were, however, present among the ten most important business values ranked by business managers themselves. Public administrators with experience in the private sector and those without this background differed on two values. Those with business experience were more likely than those without such experience to perceive private sector conduct as guided by reliability. Similarly, they perceived that more value was attributed to sustainability. The latter was absent from the ten most important business values according to business managers.

The general image obtained from the data is in accord with the results of the research mentioned earlier among civil servants in the United States and the Netherlands, who perceived the business sector as typified by lower morality than the public sector, and as "less high" on moral values and standards. Business managers themselves ranked strong ethical values considerably higher than public managers did when assessing private sector morality. The perceptions of public managers were to a large extent in agreement with the traditional perception of business organizations—profitability, effectiveness, efficiency, and innovativeness were valued most. According to business managers as well as government officials, moral values prevail in governmental organizations in the Netherlands, although obedience, for instance, was ranked low by both groups, and serviceability and impartiality were not among the five most important values. This is to some extent in accord with the popular images discussed at the beginning of this article: Government is predictable and reliable rather than effective and innovative, but it maintains high ethical standards.

Several important conclusions follow from these results:

- Managers in the public and private sectors hold fairly traditional perceptions of what values are most important in one another's respective spheres, when compared administrative and business ethics literature and previous research.
- Public managers perceive the private sector as much less reliable, honest, and incorruptible, but more outward and stakeholder oriented, than private sector managers perceive it.
- Private managers perceive the public sector as less effective, accountable, and guided by expertise, but more reliable and much more in favor of transparency than government managers perceive it.
- Work experience in the other sector does not have a significant impact on mutual value perceptions.
- Private and public managers agree that there are many important differences between the morality of public sector and private sector organizations and the organizational values deemed important in each sector.

IMPLICATIONS FOR ACADEMIC AND MANAGERIAL PRACTICE

This study only considered the basic value perceptions of public and private sector managers. In order to find more fact-based differences in morality, it would be worthwhile to approach the issue more qualitatively, for instance by addressing the different dilemmas that public and private managers face (cf. Kaptein and Wempe 1999), especially by interviewing and observing managers working in both sectors.

In addition, it would be interesting to conduct a cross-national value comparison. Given the culturally relative nature of values, and the cultural meaning and context of specific value statements, such a comparison should be limited to high-income countries, as, for instance, in Western Europe or the former British Commonwealth (cf. Kernaghan 2003). Since the present study was conducted in the Netherlands, the generalizibility of its results to other countries and cultural spheres is limited.

For managers in both sectors, knowledge about the other person's perceptions constitutes a competitive advantage when assessments have to be made for legislative or investment purposes, or in order to evaluate public-private partnerships. Private managers should be aware that public managers perceive their actions and their organizations as less ethical and reliable then they perceive themselves to be, and should try to disprove this image by creating and maintaining successful, reliable cooperation with their government counterparts. This element deserves specific attention in the light of Ghere's statement that

the ethical question "if and how public administrators can assure that these 'hydra-headed' partnership entities operate within the parameters of the public interest, and in accordance with recognized ethical standards" (2001a, 303) is crucial in the normative-ethical judgment of public-private partnership success. Public managers will have to realize that business managers perceive them and their organizations as attaching less value to the effectiveness of policies and actions, and to expertise (and perhaps rationality) when making decisions. This realization should lead to better mutual understanding and cooperation and create more added value in public-private partnerships.

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[1] The questionnaire is included as appendix 1.

[2] Despite all the discussions on sector blurring and the fading boundaries between the public and private sector, it seems valid to judge the participants as managers of predominantly core public sector (or: government) and core private sector (or: business) organizations, and address them as such in this study. Even when applying broad criteria of hybridism to the data – respondents were asked to report whether their organization was financed publicly, privately or both, directly controlled by government and conducting public or private tasks – still less than 19% of the participants is working in an organization with some hybrid characteristics.

[3] A draft version of the questionnaire was pretested among 16 public and private sector managers. A number of small adjustments were made as a result of the respondents' comments.

[4] The sample, however, contains some differences, due to the fact that corporations with over 70.000 employees were present in the sample, and departments with such a large number of employees simply do not exist in the Netherlands. Distribution and variance of ABD respondents among the different departments is not perfect, but the ABD sample is valid and representative for the population of federal public sector executives (all differences smaller than 5%).

[5] In the questionnaire respondents were asked to select the five most important values for the other sector, and to rank these values in order of importance (with 1 being the most important, 2 being the second most important). Before the statistical analysis, the ranks were reversed (with now 5 being the most important value) and then multiplied by the number of times the value was mentioned among the most important. By multiplying frequencies with recoded ranks, a specific hierarchy was created.

Appendix 1
Survey

Part 1: The Other Sector's Values

Please rank the five most important values for the other sector in order of importance (1 = most important, 2 = second most important, etc.). Score only five values; leave the boxes for the other 15 values blank.

Values	*Rank*
1. Accountability: Act willingly to justify and explain actions to the relevant stakeholders	
2. Collegiality: Act loyally and show solidarity toward colleagues	
3. Dedication: Act with diligence, enthusiasm, and perseverance	
4. Effectiveness: Act to achieve the desired results	
5. Efficiency: Act to achieve results with minimal means	
6. Expertise: Act with competence, skill, and knowledge	
7. Honesty: Act truthfully and keep promises	
8. Impartiality: Act without prejudice or bias for specific group interests	
9. Incorruptibility: Act without prejudice or bias for private interests	
10. Innovativeness: Act with initiative and creativity (to invent or introduce new policies or products)	
11. Lawfulness: Act in accordance with existing laws and rules	
12. Obedience: Act in compliance with the instructions and policies (of superiors and the organization)	
13. Profitability: Act to achieve gain (financial or other)	
14. Reliability: Act trustworthily and consistently toward relevant stakeholders	
15. Responsiveness: Act in accordance with the preferences of citizens and customers	
16. Self-fulfillment: Act to stimulate the (professional) development and well-being of employees	
17. Serviceability: Act helpfully and offer quality and service to citizens and customers	
18. Social Justice: Act out of commitment to a just society	
19. Sustainability: Act out of commitment to nature and the environment	
20. Transparency: Act openly, visibly, and controllably	

Part 2: Personal and Organizational Characteristics

1. On which management level do you operate?

operational management
middle management
strategic/top management

2. How many employees do you supervise directly?

1. 0–10 employees
2. 11–25 employees
3. 26–50 employees
4. 51–100 employees
5. 100–250 employees
6. 250–500 employees
7. More than 500 employees

(*continued*)

Appendix 1
Survey

Values	*Rank*
3. What is your gender?	Male
	Female
4. To which age category do you belong?	1. 25 years or younger
	2. 26–35 years
	3. 36–45 years
	4. 46–55 years
	5. 56 years and older
5. For how long have you been employed by the organization that you are working for at this moment?	
	1. Less than 1 year
	2. 1–5 years
	3. 5–10 years
	4. More than 10 years
6. Have you previously been employed in the public/private sector?	
	Yes
	No
7. What is the total number of employees currently working in your organization?	