

# Government or Business?

## IDENTIFYING DETERMINANTS OF MPA AND MBA STUDENTS' CAREER PREFERENCES

### INTRODUCTION

There are many preconceived ideas and perceptions about the public and private sectors which might influence potential government and business managers in their choice for a prospective employer. Graduate students who have reached the end of their studies are faced with a difficult choice: *Where do I want to work?* An impending employee looks for a suitable organization that matches his competences and personality. As studies show, an employee is more satisfied when he feels that he 'fits' within the organization.<sup>1</sup> In turn, employers will try to respond to this sentiment because of the ongoing 'war on talent' on the international labor market.<sup>2</sup> Both governments as well as businesses seek to recruit the most talented potentials, resulting in increased competition between the two sectors.<sup>3</sup> The private sector is willing to provide high salaries and lease automobiles, while the public sector counts on other (more intrinsic) recruitment mechanisms such as good fringe benefits, and advertisement campaigns that stress how challenging it is to contribute to solving social issues.<sup>4</sup>

Indeed, an aspect of growing importance for both an employer as well as a (potential) employee is the 'person-organization-fit' (POF), the way in which a person fits within his or her working environment.<sup>5</sup> In the selection phase prior to choosing a career, and even prior to a choice for a specific education, students also make choices based on a 'fit' between themselves and their future employer or job. Therefore, it can be assumed that students with a public value orientation opt sooner for the public sector while students with a more distinct business profile prefer the private sector. Two masters programs that are traditionally expected to produce students with such clear value orientations and sectoral preferences are masters in public administration (MPA's) and masters in business administration (MBA's).

One may wonder, however, as to whether such a stringent distinction does in fact exist within the current MPA and MBA student population and what sorts of values and motivations specifically determine career preferences. Were students in recent cohorts not taught that a concept such as "sector blurring"<sup>6</sup> characterizes best the modern-day public sector organizational landscape? A development that combined with new public management (NPM) reforms might have made strict sectoral demarcations less and less relevant. And aren't much of the scholarly publications in business nowadays stressing corporate social responsibility (CSR) as an integral element of regular business discourse pointing at increasing public accountability obligations for the business sector?<sup>7</sup>

Both the practice as well as the theory of public administration and business administration has become more complex and less distinctive during the last decades. The question is whether this also implies that potential managers retain less contrasting ideas about both sectors. And is it generally true that a choice for a MPA automatically leads to a career in public administration and management, and the choice for a MBA to a life working in business and industry?<sup>8</sup> These questions form the basis of this empirical survey on the provisional career choices of Dutch MPA and MBA students (n=131).

### DIFFERENT SECTORS: DIFFERENT VALUES, MOTIVATIONS, AND PERCEPTIONS?

A recurring question within public- and business administration is whether both sectors perhaps attract different types of people. Are government organizations employees different from company employees, do they apply different sets of values and norms, are they motivated by different issues and do they have a different image of their social position?<sup>9</sup> Studies often show that public managers not only have different motivations than those within industry<sup>10</sup>, but also embrace different values.<sup>11</sup> These differences exist regardless of whether

individual work values or more general organizational values are studied. Public managers place emphasis on 'selflessness,' 'making a difference,' 'integrity,' and 'collegiality,' whereas business managers value more 'ambition,' 'competence,' 'status,' and 'performance'.<sup>12</sup> These insights lead to the first hypothesis to be tested in this study:

P<sub>1</sub> Students that embrace predominantly public work values will prefer the public sector.

In public management much attention has been paid recently to public service motivation and public sector motivation, both of which refer to motivations associated with the pursuit of government employment.<sup>13</sup> Employees in the public sector are assumed to have a higher degree of intrinsic motivation and that those working in business are more extrinsically motivated.<sup>14</sup> 'Challenging work,' 'self development' and 'a contribution to solving social problems' primarily motivate public sector employees. Private sector employees are motivated by 'a good salary,' 'a lease car,' 'success,' and 'appreciating a certain standard of living' or 'position within society'.<sup>15</sup> Consequently, it is hypothesized that:

P<sub>2</sub> Students with an affiliation for a public sector motivation will prefer the public sector.

In making important decisions in someone's life (such as a career choice), an important influence is also ascribed to the socialization period.<sup>16</sup> Research shows that features such as parental socialization, religious socialization, political ideology and individual demographic characteristics influence important choices on the job market.<sup>17</sup> Therefore, students are expected to have more of a public sector motivation when their parents are or have been employed in the public sector. In this manner, the career choices of parents influence those of students:

P<sub>3</sub> Socialization factors (parental employment, religion, political ideology) influence current motivations, values and sector perceptions of students.

Next to the values and motivations of (potential) managers and their socialization before and during their education, different, sometimes cliché, perceptions also exist with regard to the public and private sectors in general. On the one hand, the public sector is classically perceived to be 'bureaucratic and constrained by red tape,' whereas the private sector is seen as 'inherently more efficient'.<sup>18</sup> On the other hand, 'dishonesty' and an 'overemphasis on profit maximization,' characterize the private sector while the public sector stands for 'fairness' and 'justice'.<sup>19</sup> Whether this holds true for potential managers is to be tested through our final hypothesis:

P<sub>4</sub> Students with a positive perception of the public sector and negative perception of the business sector will prefer the public sector.

Again, it is the question whether recent models such as NPM and CSR and the shifts in values that they seem to imply<sup>20</sup> have influenced the classical differences *current managers* of government and business organizations still portray by making them less distinctive among their *future managers*. It comes as no surprise that the above studies still show sharp classical differences between public and private sector managers because they often survey and interview more senior executives. Recent studies already denote shifts in these classical demarcations when younger, upcoming managers are taken into account. The fact that such

managers in the public sector prove to be more and more extrinsically motivated and career-oriented have led Lyons, Duxbury and Higgins to pose the question "Is the public service ethic in decline?"<sup>21</sup>

This paper seeks an explanation for the (provisional) career choices of master students based on these four elements – socialization, motivation, values and sector perceptions – with the following central research question:

*What determines the career preferences of Dutch MPA and MBA students, and how do their value orientations, motivations, sector perceptions and various socialization factors influence this preference?*

The quantitative study seeks to find an answer to the above research question by testing the research hypotheses that were derived from the theoretical framework on how and to what extent potential determinants influence the provisional career choices or preferences for employment in government or business.

### **MPA vs. MBA: CAVITIES IN PREVIOUS STUDIES**

In the US, recently a number of studies have been conducted with respect to the value of public service motivation among master students of public administration and political science.<sup>22</sup> This research shows that such motivation exists among these students and that this also influences the choice for a particular career.<sup>23</sup> In addition to this data from the US, a recent study investigated a student population from China. The authors show intriguing differences between both countries; whereas intrinsic factors were of great importance for American students, the Chinese students were far less driven by intrinsic factors and increasingly more by extrinsic factors.<sup>24</sup>

In business administration and 'business ethics' in particular, studies have been conducted among MBA students with regard to their moral perceptions and beliefs, and their attitude regarding CSR.<sup>25</sup> Here also national differences are noted, among others, in research among Finnish, Korean and American students: within more individualistic cultures students have different ideas as to what is and what is not permissible at work compared to more collectively-minded societies.<sup>26</sup>

What is missing in the literature are studies that compare public- and private-oriented students, the only recent exception being a study into differences in moral judgment development between MBA and MPA students.<sup>27</sup> A striking result is that MBA students are less critical when confronted with unethical practices compared to their public colleagues. This result motivates the authors to request more attention for ethics in MBAs,<sup>28</sup> a request that emerged many times last year in the context of the global financial crisis.<sup>29</sup>

What sets the present study apart from other studies is the focus on the relation between public and private sector motivations, values, and perceptions of both MPA as well as MBA students and their provisional career choices. In addition this study only focuses on fulltime students who are not yet working, and therefore have a relatively unsullied image of the job market (as opposed to the studies mentioned above, in which there was usually no difference made between 'regular' students and professionals who have gone back to school).

### **OPERATIONALIZATION AND MEASURES**

#### **DEPENDENT VARIABLE**

The dependent variable is the master students' *career preference*. The questionnaire includes a closed question that forces the students to make a choice for a prospective career (public or private sector). It is expected that students already have a preference and the question is what

influences this. Besides checking off a preferred sector, students are also asked in an open question to state in one sentence why their preference lies with that sector. That way the preference can be contextualized, possible doubts are given the chance to surface and an actual short statement of the career choice is already given.

#### INDEPENDENT VARIABLES

According to theory, career choice can be explained by four major concepts: motivations, values, sector perceptions and background characteristics related to socialization. The latter are expected to influence career choice indirectly. It can be anticipated that political preference, religious background and the parents' profession influence current attitudes, and in that way will indirectly influence sector preference. The influence of background characteristics is tracked by means of a path analysis with AMOS. Gender, age and ethnic background are included in the analyses as control variables.

In order to measure the *public and private motivation*, several typical public and private aspects are used. In the literature, public motivation is clearly distinguished from private motivation. Perry provides six motivational dimensions, among which social justice and compassion.<sup>30</sup> Comparable dimensions are found in studies by Vandenaabeele<sup>31</sup> and Redman-Simons.<sup>32</sup> Private sector motivation is clearly distinguished from these characteristics. An important theme in the literature is obviously the contrast between intrinsic and extrinsic factors.<sup>33</sup>

The characteristics that concern public sector motivation are 'making a contribution to society,' 'being of service to others' and 'having a stimulating work environment'. In addition, students were asked to indicate to what degree they agreed with the theses 'I am attracted to making policy for the government, city or province,' 'I want to help others, which means that my own interests will often come second,' and 'It is good for society when the government oversees the distribution of necessary collective services and goods - such as energy, public transport and security'. The private characteristics are made operational as 'being successful,' 'having a good salary,' and 'a company car'. The theses concerning private sector motivation are 'My career will come first and foremost for the next few years, taking precedence before my circle of friends and my family,' 'I like to develop innovative products and services and to be successful at it,' and 'it is good for society when the market is as unrestrained as possible'.

The literature on values shows a clear contrast between *public and private values*. Stackman et al. distinguish different personal values related to a career in the private and public sectors<sup>34</sup>, as do Buelens and van den Broeck.<sup>35</sup> Based on these studies on value differences, five public and five private values were selected: 'equality,' 'peace,' 'self-sacrifice,' 'justice' and 'compassion,' and 'accomplishment,' 'joy,' 'prosperity,' 'change' and 'power'.

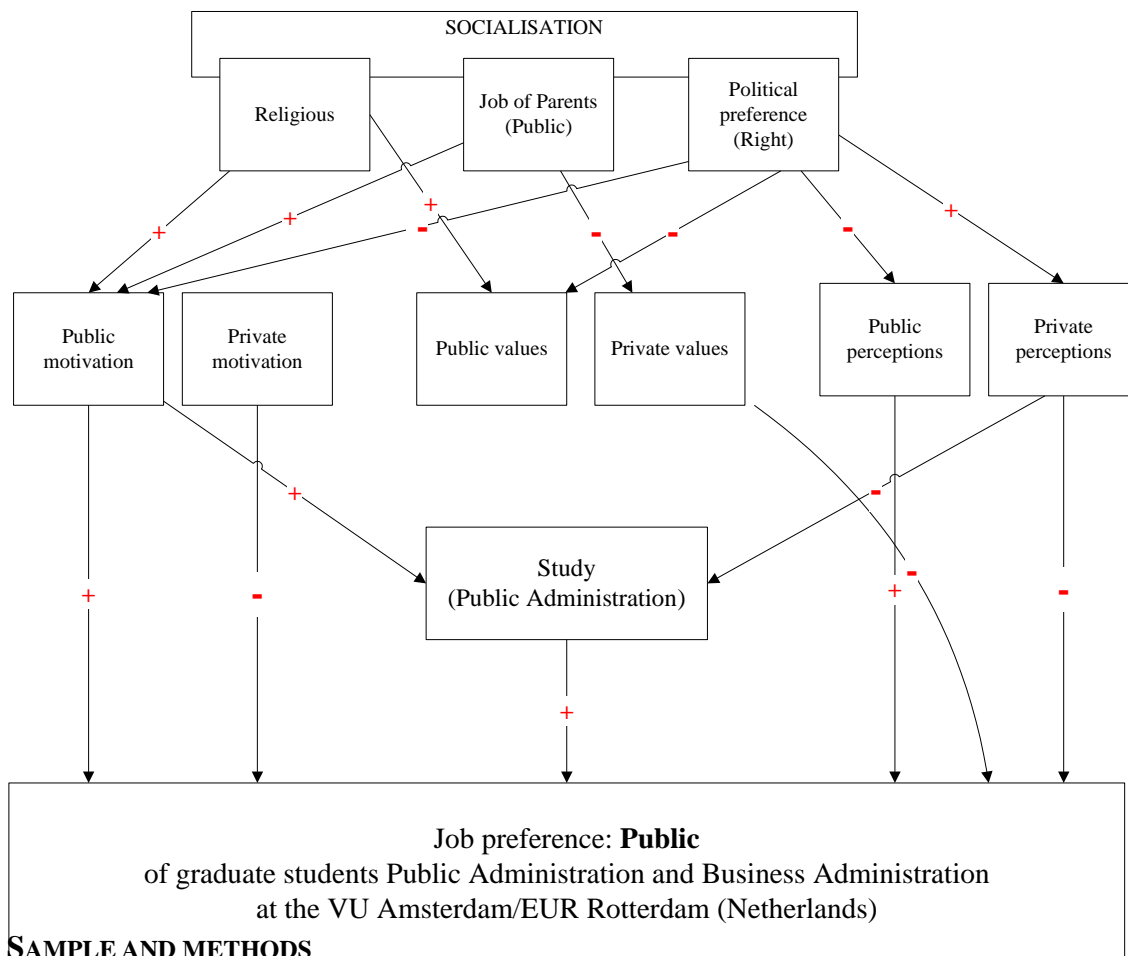
Another explanatory factor in this investigation concerns the presence of various *sector perceptions*. The public sector has a different 'bottom-line' than the private sector<sup>36</sup>, and there are a number of classical sectoral differences related to e.g., communication, organizational environment and strategic management.<sup>37</sup> Several theses were formulated about positive as well as negative perceptions of both sectors and they were 'mirrored' in the questionnaire. Negative perceptions of the public sector feature in the following theses: 'In general, government is bureaucratic and slow,' 'When you work for the government, you are often a pawn of political interests,' and 'Starters who go and work for government are often less ambitious than starters in the business sector'. The following theses reflect the positive perceptions about the public sector: 'When you work in government, you can make a contribution to society,' and 'The working climate in government is generally more pleasant than that in businesses'.

The private sector is perceived to be more competitive than the public sector and

therefore the work climate will be different.<sup>38</sup> The theses on negative private sector perceptions are as follows: 'When you work in business, you are really only concerned with optimizing profit for yourself and your company.' 'Within business there is a lot of competition between colleagues' and 'Within business 'dirty games' are often played in order to make money and maximize profit'. The positive perceptions of the private sector are reflected in the statements: 'In business work is generally executed more effectively and efficiently than in government,' and 'within business it is easier to climb to a higher position.'

In addition, prevailing motivations, values and perceptions are influenced initially by characteristics from the socialization period, according to theory, which states that factors that are internalized in the period from childhood to adolescence influence gravely the attitudes in later life.<sup>39</sup> Hence, the following variables were used to measure the influence of the socialization period: political ideology (voting preference if elections would be held today; later dichotomized in left wing and right wing), self-reports of being religious or not, and the sector in which the parents are employed. The mother's occupation is used since results showed that this predicted most strongly the respondents' career preference. It is measured whether these characteristics influence the prevailing motivations, values and perceptions, which in turn determine the provisional career preference. The expected relations between the variables (in this case: leading to a public sector job preference) are presented in Figure 1.

**Figure 1: Hypothesized relations between variables**



**SAMPLE AND METHODS**

By means of a survey, both digitally as well as in writing, Dutch MPA and MBA students (EUR Rotterdam and the VU Amsterdam) have been questioned extensively. For the online survey a large number of e-mails were sent to various students. In addition, a number of

students completed the questionnaire at the start of a course within their program. Many English-language students study at the EUR in Rotterdam, principally in the MBA program, and therefore the questionnaire was prepared in both Dutch and English. A survey was used because it is the optimal instrument in this case because the study tests general propositions and wants to make generalized statements.<sup>40</sup> To make statements about master students from Amsterdam and Rotterdam it is important that a representative selection of those students is questioned. Within the MPA and MBA student population a select group has been randomly sampled. 211 students have been approached out of which 131 reacted; a response rate of 61 percent.

The population is limited to MPA and MBA students. These students are expected to indicate even better than students from any other discipline, such as law or medicine, whether they are planning to work in the public or private sectors. Moreover, it allows investigation as to whether the choice of study is an explanatory factor for the students' provisional career choices. The students' mean age is about 24 years; 40 percent is female and 60 percent male. There is a balanced distribution between both studies (62 MBA students and 69 MPA students) and the career choice of students is also generally equally distributed between public and private.

The questionnaire consisted of 15 main questions, some of which split up into various secondary questions. We used various quantitative methods of analysis to chart the students' career preference: logistic as well as linear regression and a path analysis using AMOS. We checked our results for relevant background characteristics (gender, ethnic background and age). The influence of various characteristics relating to career preference can be estimated with the help of regression analysis. The influence on a dichotomous characteristic can be estimated by means of logistic regression analysis. This analysis is used in the explanation of *career choice*, with the categories of Private (value=0) or Public (value=1). Within the regression analysis only the direct effects on career choice are estimated: the motivation, values, perceptions, study and the control characteristics. The indirect influence of the background characteristics - thus via motivation, values and perceptions - is examined through the path analysis.

## **ANALYSES**

The students' career preference is directly explained by the motivation, values and sector perceptions. Factor and reliability analyses measured the extent to which the various motivations, values and perceptions can be brought together into one single scale. With the theoretical framework as a frame of reference, there are a total of six relevant aspects: (1) public sector motivation, (2) private sector motivation, (3) public values, (4) private values, (5) private sector perceptions (negative public and positive private) and (6) public sector perceptions (negative private and positive public). An unusual find from the factor analysis is the outcome of two perception characteristics, one public, and one private. The factor analysis shows that positive perceptions of the public sector and the negative perceptions of the private sector together form one scale. It also shows that positive perceptions of the private and negative perceptions of the public sector together formed one scale, which allows the construction of one single perception variable for each sector.

The influence of different aspects on the students' motivation is tested using simple logistical regression analysis in SPSS. The career preference consists of two items: public (value = 1) or private (value = 0). Since the dependent variable is dichotomous, it is best to use logistic regression analysis. This analysis tests the chance on (in this case) a 'public sector motivation'. This analysis enables the testing of the influence of motivations, values, perceptions and some control variables, which might explain the students' career preferences.

To test the causal model as a whole a path analysis has been performed using structural

equation modeling (SEM), with the help of the AMOS program. Within AMOS the effects are calculated based on linear regression analysis. The dependent variable *career preference* is a dichotomous variable, which is best analyzed with a logistical regression analysis. Therefore, it is of importance that the established effects within AMOS are compared with the results from logistic regression analysis, so that no invalid conclusions are being made. However, the resulting findings from AMOS turn out not to diverge strongly from the findings in the logistic regression. AMOS checks the full model and also observes whether certain links between variables can strengthen the model. This allows a construction of the 'best' model.

## RESULTS

Table 1 shows the data of all characteristics from the study: the number of valid scores, the minimal and maximal score, the mean and the standard deviation. The mean scores on the attitudes (motivations, values and perceptions) represent the mean scores on the questions that belong to that aspect (the categories run from 1 to 5). These characteristics are coded so that a high score represents a strong conviction; a high score on 'public sector motivation' indicates that student scored high on the various relevant questions and thus shows a strong public motivation.

**Table 1: Descriptives of all variables**

	N	Minimum	Maximum	Mean	SD
<b>Job preference (Public=1)</b>	131	0,00	1,00	0,48	0,50
<b>Sex (woman=1)</b>	131	0,00	1,00	0,40	0,49
<b>Age</b>	131	21	28	23,65	1,57
<b>Ethnicity (Non-Dutch=1)</b>	131	0,00	0,00	0,17	0,38
<b>Religious</b>	131	0,00	1,00	0,31	0,46
<b>Study (Public Administration=1)</b>	131	0,00	1,00	0,53	0,50
<b>Political preference</b>	131	1,00	11,00	4,92	3,44
<b>Job father</b>	131	1,00	4,00	2,01	0,86
<b>Job mother</b>	131	1,00	4,00	2,12	1,13
<b>Public sector motivation</b>	131	1,75	4,75	3,48	0,61
<b>Private sector motivation</b>	131	1,60	4,80	3,40	0,55
<b>Public values</b>	131	3,40	9,80	7,09	1,22
<b>Private values</b>	131	4,00	9,40	7,36	0,98
<b>Private perceptions</b> (negative public and positive private perceptions)	131	1,60	5,00	3,20	0,62
<b>Public perceptions</b> (negative private and positive public perceptions)	131	1,60	4,40	3,26	0,53

## CAREER PREFERENCE EXPLAINED

Regression analysis and path analysis show that students' motivations, values and sector perceptions influence their career preference. Before the actual regression analysis can begin, the internal relationships between motivations, values and perceptions are examined because it can be expected that these aspects overlap, resulting in a risk of multicollinearity in the analyses. These internal correlations are shown in Table 2, and it can be seen that the various aspects usually tie in with another fairly strongly. The results of the motivations, values and perceptions in themselves are significantly of influence on the career choice (see also Table 3), but when they are approximated together in one model, a few results are no longer significant. Therefore, we decided to approximate the influence of the motivation, values and sector perceptions separately in three different regression models. The last model will contain all the attitudes, in order to determine the influence of all the aspects together.

**Table 2: Correlation matrix (Pearson's correlation) for motivations, values and perceptions of Dutch MPA and MBA students**

\*\*\*= $p \leq 0.005$ , \*\*= $p \leq 0.01$ , \*= $p \leq 0.05$

The results of a logistic regression analysis of the career choice are shown in Table 3. In this case the dependent variable is the career preference (private=0 and public=1), and thus the results shown here indicate the chance of a *public career preference*.

	Public motivation	Private motivation	Public values	Private values	Public perceptions	Private perceptions
Public sector motivation	1,000	-0,380***	0,382***	-0,194**	0,352***	-0,231**
Private sector motivation	-0,380***	1,000	-0,267***	0,541***	-0,174**	0,265***
Public values	0,382***	-0,267***	1,000	0,055	0,240***	0,064
Private values	-0,194**	0,541***	0,055	1,000	-0,114	0,122
Public perceptions	0,352***	-0,174**	0,240***	-0,114	1,000	-0,036
Private perceptions	-0,231**	0,265***	0,064	0,122	-0,036	1,000

The influence of control characteristics and the choice of study is shown in *Model 1*. It can be seen that *ethnicity* and *study* influence career preference; foreign immigrants and public administration students have a higher chance of choosing a career in the public sector than native Dutch students and business administration students. *Model 2* shows the influences of the control characteristics and the motivation aspects. It is noticeable that in this model the control characteristic of *ethnicity* is no longer significant; this means that adding the motivation characteristics makes the influence of ethnicity disappear. Students' motivations strongly influence their career choice. A stronger measure of public sector motivation goes hand in hand with a greater chance of a preference for a career in government (and therefore a lower chance of a private career preference). The influence of public sector motivation is strongly positive ( $\beta=2.497$ ). It also appears that a stronger measure of private sector motivation goes hand in hand with a smaller chance of a public career choice; the influence of private motivation is strongly negative ( $\beta=-1.493$ ). *Model 3* shows the influences of the control characteristics and the value aspects. This model shows that only private values have a significant influence on students' career preferences. A stronger measure of individual private values goes hand in hand with a lower chance of a public career choice; the effect is negative ( $\beta=-0.591$ ).

*Model 4* shows the influences of the control characteristics and perceptions. There is a strong influence of both perceptions (public as well as private) on career preference. The influence of a positive public perception on a career preference for government is strongly positive ( $\beta=1.741$ ). It also shows that that a stronger measure of private perception aligns with a lower chance of a public career preference, and the influence of private perception is strongly negative ( $\beta=-2.234$ ). In *Model 5*, the last model, the control characteristics and the three core aspects (the attitudes) have been unified.



**Table 3: Logistic regression analysis for career preferences of Dutch MPA and MBA students (dependent variable = public job preference)**

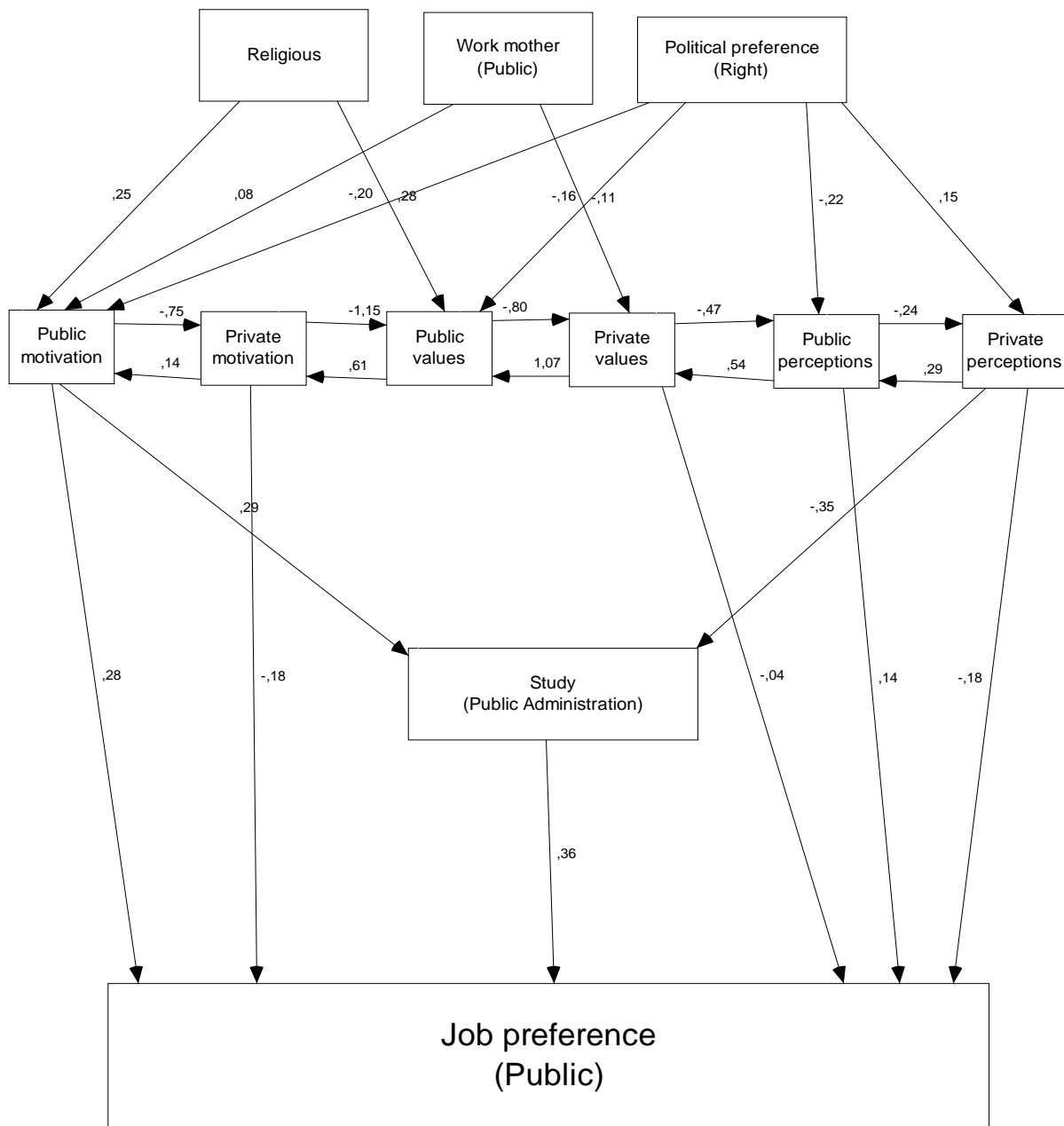
	Model 1		Model 2		Model 3		Model 4		Model 5	
	$\beta$	Exp(B)	$\beta$	Exp(B)	$\beta$	Exp(B)	$\beta$	Exp(B)	$\beta$	Exp(B)
<b>Intercept</b>	-1,056	0,348	-0,298	0,743	7,596	1990,96	8,258*	3859,89	6,143	465,25
<b>Sex</b> (ref=men)	0,531	1,701	0,277	1,319	0,067	1,070	0,384	1,468	0,479	1,615
<b>Ethnicity</b> (ref=native)	1,606**	4,983	-0,430	0,651	-0,015	0,985	0,261	1,298	-0,590	0,554
<b>Age</b>	-0,057	0,945	-0,147	0,863	-0,208	0,812	-0,303*	0,739	-0,264	0,768
<b>Study</b> (ref = Business Administration)	3,305***	27,238								
<b>Public sector motivation</b>			2,497***	12,144					2,538***	12,66
<b>Private sector motivation</b>			-1,493***	0,225					-1,352	0,259
<b>Public values</b>					0,223	1,250			-0,343	0,709
<b>Private values</b>					-0,591**	0,554			-0,008	0,992
<b>Public perceptions</b>							1,741***	5,702	1,247*	3,479
<b>Private perceptions</b>							-2,234***	0,107	-1,893***	0,151
<b>Nagelkerke R square</b>	48,4%		49,3%		14,0%		43,6%		63,1%	

\*\*\*= $p \leq 0.005$ , \*\*= $p \leq 0.01$ , \*= $p \leq 0.05$

Now, the influence of (public as well as private) values is completely gone and private sector motivation is no longer of significant influence. Both sector perceptions remain significantly of influence, and thus turn out to be a strong predictor, even after checking the values and motivations.

Finally, a single causal model was built and tested statistically by means of AMOS. The results are shown in Figure 2 (in this case: leading to a public sector job preference). The dataset that has been used is relatively small, which means that not all the parameters were promising. The Chi-square was used to test the power of the total model. The model has a Chi-square of 4.35 with 28 degrees of freedom and a p-value of 0.01, which indicates a 'good fit'.

**Figure 2: Model of 'best fit', using Structural Equation Modelling (AMOS analysis)**



This 'best' model is the path model with all significant relationships, which shows also the interconnectedness of the various attitudes. This model appears to have a somewhat better *fit* than the model with only the significant relations from the regression analysis. The background characteristics partially appear to influence the current attitudes of students. When the mother has employment (or has worked) in the public sector, then the student has more public sector motivation and less private values. Religious students have a stronger public sector motivation and more public values. This finding is in agreement with the literature.<sup>41</sup> Students with right wing, conservative political beliefs appear to have weaker public motivation, embrace fewer public values, are less convinced by public and more so by private sector perceptions. The political preference is thus shown to be the highest predictor for the students' attitudes; for most attitudes this variable is of significant influence.

#### THE STUDENTS SPEAK OUT

The answers to the open question in the survey ('can you state in one sentence why you would want to work in one of the two sectors?') are strongly complementary to the quantitative results. Many students indicate that working in government is important to them, because in that case they can make a contribution to society: '*I want to contribute to a better society*' (stated literally 33 times). These students prefer a career in the public sector because of '*The good terms of employment, social purpose, involvement, political and administrative environment*'. Some students clearly contrast the public sector with the private sector in explaining their preference for government: '*I do not like the idea of a rat race. Not everything is aimed at making money*' or '*Aimed at providing services - and not simply making a profit*'. By contrast, a preference for the private sector is often motivated by the dynamic environment and a chance at making a quick climb up the ladder and earning a good salary; '*No 9 to 5 mentality, making more money and being promoted*' or '*No interest in a government job, instead a career in business with more chances*'. Opinions vary, but it is clear that the students have fairly strong opinions about both sectors and often volunteer that opinion as an argument for either desiring or refusing to work in a certain domain.

Many of the expectations reappear in the students' answers and the various results clearly support each other. In the first place, there is a strong contrast between intrinsic and extrinsic motivations. The motivation for the private sector often stems from career options and better reward. The motivation for the public sector largely comes from the desire to contribute to society and to be of service to the general public. In addition, there is also a palpable difference in the image of the working environment in both sectors. Students prefer that sector which appeals to their ideal; the innovation and effectiveness of the company or on the contrary, the easy-going working environment and terms of employment in government. The students indicate that they feel at home in a given sector, because it is in sync with their values: a symbol of a certain person-organization-fit. Finally, some students have strong negative perceptions about - for example, the public sector, as their reason for opting for the private sector, and vice versa. This shows that again perceptions, the image students have concerning a given sector, influence their career preference. Based on the combined results it is clear that the public and private sector motivations, the (private) values and the sector perceptions strongly influence the career preference of MPA and MBA students.

#### ISSUES THAT MERIT CONSIDERATION IN FUTURE RESEARCH

This study leads to the conclusion that motivations as well as (private) values and sector perceptions influence students' career preferences. In addition to the quantitative measures, it is definitely meaningful to go deeper into these influence-rich attitudes. With the help of for instance, in-depth interviews, the students' motivation can be researched in more detail. Based on the similarities between the qualitative and quantitative results here, wide deviations within

qualitative analyses are not to be expected.

The all-important variable this research revolves around is the *career preference* of students. This is the preference indicated by master students in March with regard to a choice they will finalize after finishing their studies in August or September. It would have been even better if the *definitive career choice* had been known, so that the influence of the various attitudes during the study on this choice could be investigated. In addition to the strong influence of choice of study on career preference that this research shows, a strong socializing influence of the study itself can be expected. During the course of their higher education students are being prepared for the public or private sector. This again is supported by the vast differences and contrasts between both groups of students, evidently strengthened during the study.

To examine both the socializing influence of the study period as well as the final career choice, a longitudinal research design will have to be used in which students must be traced for a number of years. Ideally, from just before their initial choice of study up to, for example, two years after their entry in the labor market. That way, causalities can be studied between both the socializing role of the study period, the actual career choice and the socializing effects of the first experiences on the actual job market. The regression and AMOS analyses used in this study do not allow for such causal explanations and longitudinal research would thus lead to more accumulative results. On a final note, given regional differences that were shown in other studies some caution is advised in extrapolating the results to other countries and regions than the Netherlands.

#### **CLASSICAL JUXTAPOSITIONS VERY MUCH ALIVE AMONG FUTURE MANAGERS**

As shown in both analyses, there is a clear contrast between public sector-oriented students on the one hand and private sector-oriented students on the other. As many influences derive from motivations, values as well as from sector perceptions on the students' career preference, there appears to be a certain difference in 'human character type'. The main conclusions are now summarized in relation to the research propositions:

- There is a *clear distinction between MPA and MBA students* in the Netherlands, in terms of personal values and motivations, sector perceptions and the related job preference. The increased blurring of public-private sector boundaries, values and motivations suggested by some authors is certainly not congruent with students' perceptions of organizational reality.
- The *public sector-oriented student* is characterized by a public sector motivation, positive public sector perceptions, and a related very strong preference for a career within government, confirming proposition 2. Positive perceptions with respect to the public sector go hand in hand with negative perceptions as to the business sector, which both influence very strongly to a public sector job preference, confirming proposition 4. The influence of public values is much less strong than most of the literature seems to suggest (proposition 1 is rejected). As parental socialization, religious identity and political color do indeed cause differentiations in values, motivations and sector perceptions, proposition 3 is largely accepted.
- The *private sector oriented student* is characterized by a strong extrinsic motivation, that in combination with a private sector motivation and positive private sector perceptions (that again go hand in hand with negative public sector perceptions), strongly influence a business sector job preference. Interestingly, for this group the private values are also of influence, and that leads us to conclude that for private sector-oriented students the data corroborates the importance of a person-organization-fit.

That classical differences and rather old-fashioned cliché ideas still exist among future public managers and business managers is remarkable to say the least. and in contrast with recent sentiments in the literature on the blurring, intermixing and convergence of sectoral boundaries, values and motivations.<sup>42</sup> This intriguing outcome might lead one to hypothesize that master programs in public and business administration have an institutional and arguably, a financial interest in keeping alive the strong demarcations between both sectors. This might also explain why “all over the world public administration and business administration research and education are institutionally separated.”<sup>43</sup> A similar study involving students of law, economy or even sociology might produce less contrasting results.

Subsequently, the results lead to the conclusion that recruitment for the public sector should be different from that for the private sector. Although the actual job market was not part of the analysis, it can be argued based on the research results that the transfer of businesslike mechanisms such as performance-related pay and more competition to government organizations which has happened to some extent as part of NPM related reforms, will certainly not lead automatically to better-motivated employees.

There has already been a critical view of the purpose and effect of NPM within government organizations.<sup>44</sup> Again, when the techniques do not match the people who are supposed to work with them, the question is whether they will work at all. It is also the question, for example, to what degree it is worthwhile for public agencies to actively recruit more MBA students with a clear private sector motivation as a public manager. Recruiting more people with a private sector background or work ethic for senior government positions has been one of the key features of public sector reforms in many Western countries.<sup>45</sup> Based on this research, it appears not to be a good ‘match’ for either the student or the employer. Business-oriented students are looking for a dynamic environment in which they can earn a great deal of money and where high work pressure leads to many challenges. The proper question is whether a government organization should really try to attract new graduates with such motivation, or whether it would in the end lead to a lack of public motivation, such as social involvement, in that same employee. The wrong expectations and disappointments resulting from this are undesirable for any of the parties involved.

On the other hand, an important query is whether the expectations and perceptions of students concerning both sectors are truly realistic. High work pressure and organizational effectiveness are increasingly becoming characteristic for government organizations, which also offer many possibilities for a good career with realistic rewards.<sup>46</sup> And apart from just making a profit and supporting a ‘rat race’ work ethic, many companies pay increasing attention to social responsibility and sustainability<sup>47</sup> and thus to ‘contributing to society’ that MPA students value so much. It can therefore be expected that the crucial first years on the actual job market not only have a *socializing* but also a *refining* effect on the perceptions of the prospective manager.

Becoming more equipped through that process of refinement is a necessity to deal adequately with the complex and ambiguous 21<sup>st</sup> century environment of both government and business organizations. For public managers goes that “business values are held in tension with public service ethos, and a variety of different agendas are enacted and reported daily by the media.”<sup>48</sup> As a result, they “have to make difficult decisions concerning allocation of scarce resources in contexts where fundamental social norms and values are called into question by new legislation and complex social change.”<sup>49</sup> A more realistic perception among future public managers of the appropriate norms, values and sector specific decision-making contexts is paramount to make adequately such difficult decisions.

## **ONLINE REFERENCES**

Cite as: Van der Wal, Z. & A. Oosterbaan (2013). Government or Business? Identifying determinants of MPA and MBA students' career preferences. *Public Personnel Management* 42 (2): 239-258

RWI (2008) *Loopbaanoriëntatie en -begeleiding mee laten wegen bij kwaliteitsbeoordeling scholen RWI: arbeidsmarkt vraagt om betere studie- en beroepskeuze*, [www.ezpress.eu](http://www.ezpress.eu) (accessed on March 26, 2009)

[www.mvonderland.nl](http://www.mvonderland.nl) (Accessed on April 28, 2009)

<http://forums.degreeinfo.com/archive/index.php/t-11244.html> (Accessed on June 5, 2009)

## NOTES

---

<sup>1</sup> Posner, B.Z. and Schmidt, W.H. (1993). Values Congruence and Differences Between the Interplay of Personal and Organizational Value Systems. *Journal of Business Ethics*, 12, 341-347.

<sup>2</sup> Lent, D. and Wijnen, P.W. (2007). 'War for talent'. *Alleen bij het grote geld*, <http://www.nrc.nl/economie> (Accessed on March 26, 2009).

<sup>3</sup> Redman-Simmons, L.M. (2008) Graduate Students' Attraction to Government Public Service Professions. Presented at *Minnowbrook 3 Conference*, September 2008, Lake Placid, New York; Steijn, A.J. (2006). *Ambtenaren dienen graag een publiek belang*. Rotterdam: Erasmus Universiteit.

<sup>4</sup> Steijn (2006), op. cit., p. 5.

<sup>5</sup> Vandenaabeele, W. (2008). Government Calling: Public Service Motivation as an Element in Selecting Government as an Employer of Choice. *Public Administration*, 86 (4), 1089-1105.

<sup>6</sup> Bozeman, B (2004). *All Organizations are Public. Bridging Public and Private Organizational Theories*. 2<sup>nd</sup> Ed. San Francisco: Jossey-Bass.

<sup>7</sup> Fortanier, F. and Kolk, A. (2007). On the Economic Dimensions of Corporate Social Responsibility: Exploring Fortune Global 250 Reports. *Business and Society*, 46 (4), 457-478.

<sup>8</sup> A comparable one-on-one relationship between study and career choice (and the expected preferences of the (future) employer) is repeatedly questioned by former students; see for instance the online forum "MPA vs. MBA" at: <http://forums.degreeinfo.com/archive/index.php/t-11244.html>.

<sup>9</sup> E.g., Posner, B.Z. and Schmidt, W.H. (1996). The Values of Business and Federal Government Executives: More Different Than Alike. *Public Personnel Management*, 25, 277-289.

<sup>10</sup> Perry, J.L., Mesch, D. Paarlberg, L. (2006). Motivating Employees in a New Governance Era: The Performance Paradigm Revisited. *Public Administration Review*, 66 (4), 505-514.; Redman-Simmons, 2008, op. cit.

<sup>11</sup> Lyons, S.T., Duxbury, L.E. and Higgins, C.A. (2006). A comparison of the values and commitment of private sector, public sector, and parapublic sector employees. *Public Administration Review*, 66 (4), 605-618; Stackman, R.W., Connor, P.E. and Becker, B.W. (2006). Sectoral ethos: An comparison of the personal values systems of female and male managers in the public and private sectors. *Journal of Public Administration Research and Theory*, 16 (4), 577-599; van der Wal, Z., Graaf, G. de and Lasthuizen, K. (2008). What's valued most? Similarities and Differences between

---

the Organizational Values of the Public and Private sector. *Public Administration*, 86 (2), 465-482.

<sup>12</sup> Stackman *et al.* (2006), *op. cit.*, p. 5-14.

<sup>13</sup> Perry, J.L. and Hondeghem, A. (eds.) (2008). *Motivation in public management. The call of public service*. Oxford: Oxford University Press.

<sup>14</sup> Buelens, M. and van den Broeck, H. (2007). An Analysis of Differences in Work Motivation between Public and Private Sector Organizations. *Public Administration Review*, 67 (1), 65-74.

<sup>15</sup> Karl, K.A. and Sutton, C.L. (1998). Job Values in Today's Workforce: A Comparison of Public and Private Sector Employees. *Public Personnel Management*, 27 (4), 515-527.

<sup>16</sup> Blau, P. M. and Duncan, O.D. (1967). *The American Occupational Structure*. New York. London: Wiley; de Graaf, N.D. and de Graaf, P.M. (1996). *De invloed van socialisatie op leefstijlen: Tellen restricties uit het verleden ook mee?* In H.B.G. Ganzeboom and S. Lindenberg (Eds.), *verklarende sociologie: Opstellen voor Reinhard Wippler*, 329-341.

<sup>17</sup> van Hooft, E.A.J. (2004). *Job Seeking as Planned Behavior: In search of group differences*. Dissertation: VU Amsterdam.

<sup>18</sup> Rainey, H.G. and Bozeman, B. (2000). Comparing Public and Private organizations: Empirical Research and the Power of the A Priori. *Journal of Public Administration Research and Theory*, 10 (2), 447-470.

<sup>19</sup> Frederickson, H.G. (2005). Public ethics and the new managerialism: An axiomatic theory. *Ethics in public management*, ed. H.G. Frederickson and R.K. Ghere, 165-183; van der Wal, Z. and de Graaf, G. (2006-7). The bureaucrat, the Businessperson, and the Perception of Each Other's Values. Empirical Notions on the Other Sector's Most Important Organizational Values. *Public Integrity*, 9 (1), 45-62.

<sup>20</sup> van der Wal, Z. (2008). *Value Solidity. Differences, Similarities and Conflicts Between the Organizational Values of Government and Business*. Amsterdam: VU University.

<sup>21</sup> Lyons, S.T., Duxbury, L.E. and Higgins, C.A. (2005). Is the Public Service Ethic in Decline? Paper presented at the *Ninth International Research Symposium on Public Management*, 6-8 April, Bocconi University, Milan, Italy.

<sup>22</sup> Redman-Simmons, 2008; Gabris, G.T. and Davis, T.J. (2009). Measuring Public Service Motivation in MPA Students: Does the construct influence student perception toward the application of management techniques and role behavior in the public



sector? Presented at the *IPSM Conference*, June 6-8, Bloomington, Indiana; Infeld, D.L., Qi, G., Adams, W.C., Lin, A. (2009). Work Values and Career Choices of Public Administration and Public Policy Students in the U.S. and China. Presented at the *IPSM Conference*, June 6-8, Bloomington, Indiana.

<sup>23</sup> Redman-Simmons (2008), op. cit., p.17.

<sup>24</sup> Infeld et al. (2009), op. cit., pp. 20-21.

<sup>25</sup> Christie, P.M.J., Kwon, I.G., Stoeberl, P.A. and Baumhart, R. (2003). A Cross-Cultural Comparison of Ethical Attitudes of Business Managers: India, Korea and the United States. *Journal of Business Ethics*, 46, 263-287; Elias, R.Z. (2004). An Examination of Business Students' Perception of Corporate Social Responsibilities Before and After Bankruptcies. *Journal of Business Ethics*, 52, 267-281; Grünbaum, L. (1997). Attitudes of Future Managers towards Business Ethics: A Comparison of Finnish and American Business Students. *Journal of Business Ethics*, 16, 451-463.

<sup>26</sup> Christie *et al.* (2003), op. cit., pp. 283-284.

<sup>27</sup> Richards, C.H., Gilbert, J. and Harris, J.R. (2002). Assessing Ethics Education Needs in the MBA Program. *Teaching Business Ethics*, 6, 447-476.

<sup>28</sup> Richards et al. (2002), op. cit., p. 447)

<sup>29</sup> See *De Volkskrant*, Thijs Plug, March 31, 2009, p. 8.

<sup>30</sup> Posner and Schmidt (1996), op. cit., pp. 6-7.

<sup>31</sup> Vandenabeele, W. (2008). Government Calling: Public Service Motivation as an Element in Selecting Government as an Employer of Choice. *Public Administration*, 86 (4), 1089-1105.

<sup>32</sup> Redman-Simmons (2008), op. cit., p.17.

<sup>33</sup> Buelens and van den Broeck (2007), op. cit., p. 66.

<sup>34</sup> Stackman *et al.* (2006), op. cit., p. 5-14.

<sup>35</sup> Buelens, M. and van den Broeck, H. (2007), op. cit., p. 70.

<sup>36</sup> Boyne, G.A. (2002). Public and Private Management: What's The Difference? *Journal of Management Studies*, 39, 97-122; van der Wal and de Graaf (2007).

<sup>37</sup> Allison, G.T. (1979). *Public and Private Management: Are They Fundamentally Alike in All Unimportant Respects?* Proceedings of the Public Management Research Conference, November, Washington, 27-38.

<sup>38</sup> Van der Wal and de Graaf (2007), op. cit., pp. 46-47.

<sup>39</sup> E.g., Blau and Duncan (1967); de Graaf and de Graaf, 1996.

<sup>40</sup> Fowler, F.J. (2002). *Survey research methods*. 3<sup>rd</sup> Edition. London: Sage.

<sup>41</sup> Perry, J.L. (1997). Antecedents of Public Service Motivation. *Journal of Public Administration Research and Theory*, 7 (2), 181-197.

<sup>42</sup> Bozeman (2004); Lyons et al. (2005); van der Wal et al. (2008).

<sup>43</sup> Kickert, W.J.M. (1993) (ed.). *Veranderingen in Management en Organisatie bij de Rijksoverheid* [Changes in Management and Organization in Federal Government]. Alphen aan de Rijn: Samson.

<sup>44</sup> Boyne (2002); Frederickson (2005); Gregory, R. J. (1999). Social Capital Theory and Administrative Reform: Maintaining Ethical Probity in Public Service. *Public Administration Review*, 59 (1), 63-76.

<sup>45</sup> Pollitt, C., van Thiel, S., and Homburg, V. (eds.) (2007). *New Public Management in Europe. Adaption and Alternatives*. Hampshire: Palgrave Macmillan.

<sup>46</sup> Lyons et al. (2005), op. cit. pp. 1-3.

<sup>47</sup> Fortanier and Kolk (2007), op. cit. 474.

<sup>48</sup> Page, M., Oldfield, C. and Urstad, B. (2008). Why not teach “diversity” to public sector managers? *International Journal of Public Sector Management*, 21 (4), 368-382.

<sup>49</sup> Ibid.