ANOTHER LOOK AT “DOES SECTOR MATTER”:
A STUDY OF WORK MOTIVATIONAL ATTITUDES FROM PERSPECTIVES OF
PUBLIC-NONPROFIT SECTOR AFFILIATION, SWITCHING, AND MODERATION

by

CHUNG-AN CHEN

(Under the direction of Barry Bozeman)

ABSTRACT

Research shows that workers in the public sector tend to exhibit lower work motivation compared to workers in the private sector. Theory suggests that observed differences are owing in part to differences in the economic and political environments in the respective sectors. Few studies have explored whether work motivation and related attitudes are fundamentally different in the public and nonprofit sectors. This topic is of especial interest inasmuch as the role of economic incentives seems to differ little between these two sectors. By treating work motivational attitudes as the dependent variable and investigating public-nonprofit comparison via three different approaches – sector affiliation, switching, and moderation, I found that public-nonprofit distinction matters in determining work motivational attitudes in different ways. First, nonprofit managers have more positive work motivational attitudes than public managers do. Their different perceived risk aversion, red tape, and formalization are main sources of this attitudinal gap. Second, statistical results concerning sector switching suggest that public-nonprofit sector switchers (those who have had working experience in the other sector) and non-switchers (those who work only in one sector) are likely to report different levels of
work motivational attitudes, and their attitudinal differences should be explained by their
different perceived task clarity, risk aversion, red tape, and formalization. Finally,
public-nonprofit distinction determines work motivational attitudes indirectly through the
moderation effect. That is, different external environments across the public and nonprofit
sectors influence one’s need satisfaction and accordingly create two distinctive scenarios of the
need-attitude relationships in these two respective sectors. I conclude that work motivation is not
fully explained by differences in economic environments and incentives and scholars should
continue developing different motivation theories for public and nonprofit managers.

INDEX WORDS:  public-nonprofit comparison, sector affiliation, sector switching, sector
moderation, work motivation, work motivational attitudes
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CHAPTER ONE – INTRODUCTION

1.0 Prelude: Goals of this Study

It is believed that positive consequences such as high performance and productivity often hinge on motivating employees in organizations. Therefore, work motivation has long been one of the favorite topics among social science studies regardless of the difficulty in clearly defining it. One can easily find early efforts dedicated to explore diverse sources of work motivation in the field of organizational behavior (OB). For example, from the organization’s perspective, early studies by Barnard (1938), Simon (1948), Wilson (1973), Lawler (1971), and Locke (1969) addressed how managers can externally motivate their employees to work harder by providing different kinds of incentives and rewards. From the individual’s perspective, Maslow (1954), Herzberg (1966), and McClelland (1961) noted that people’s needs/values, which also help generate work motivation internally, are as important as incentives and rewards. All these studies directly helped build general theories about what generates work motivation and they accordingly laid a solid foundation for contemporary studies of work motivation in the Public Management (PM) domain.

Due to the concern for efficiency, public sector employees have served as targets of reform efforts for decades across nations (Rainey, 2003). Proponents of administrative reforms assert that incomplete market and life-long employment create an atmosphere in which people in public organizations rarely face enough competition, leading public sector employees to be less diligent, if not indolent, in their work. The understanding that “public sectoral contexts are
“unique” drives PM scholars to either more deliberately examine the diverse incentives, rewards, and motivational needs in public organizations may differ from that in private organizations (Karl & Sutton, 1998; Rainey, Traut, & Blunt, 1986; Solomon, 1986) or consider whether motivation in the public sector conveys a specific implication – the commitment to public service (Brewer, Selden, & Facer II, 2000; Perry, 1996, 1997). In short, discovering unique public sectoral contexts in order to render specific “public-sector motivation theories” (Wright, 2001, 2004) seems to be a paramount mission for PM scholars.

It is undeniable that the extensive coverage of classic studies embraces (1) the meaning of work motivation *per se*, and (2) antecedents of work motivation from macro level factors (i.e. sectoral contexts) to micro level components (i.e. individual differences in their needs) and from external rewards to internal values. Nonetheless, some issues left unexplored still wait for researchers to probe more deeply. The primary purpose of this dissertation is to broaden the scope of the current research agenda on work motivation. More precisely, **my intent is to develop a “sector comparison theory of work motivation” by looking more deeply into public-nonprofit comparison instead of public-private comparison.**

**Why is public-nonprofit comparison an issue?**

Managers’ knowledge about “public organizations are distinctive” is usually derived from public-private comparison. However, we know little about the difference between public and nonprofit organizations. Public management and nonprofit management are frequently put into the same basket in many textbooks for performance management and human resource management (Berman, 2006; Pynes, 2009). From the perspective that both public and nonprofit organizations do not make profits, it seems plausible that nonprofit and public managers should share the same motivation theories if market and profits are the most influential determinants for
work motivation. However, from another perspective, one can categorize nonprofit and private organizations in the same group titled “non-governmental” agencies as well.\textsuperscript{1} Would it be more desirable for nonprofit managers to employ general management knowledge for private organizations? If public and nonprofit organizations are different in some non-economic aspects which may also result in motivational difference, motivation and management theories belonging to the two non-market sectors should be distinctive enough to call for separate discussions.

**Approaches employed to compare work motivation across public and nonprofit agencies**

In addition to the basic sector affiliation analysis, which helps one compare different environmental factors separately, I plan to proceed with public-nonprofit comparison through the lens of sector switching and sector moderation. Before I start dealing with the main dependent variable – work motivation, let me briefly introduce these two approaches in advance.

With respect to sector moderation, it is often used to explore interactive effects generated by variables on two different levels (i.e. sectoral level and individual level). Truly, classical management studies have systematically sorted out sources of work motivation both internally (i.e. individual needs or values) and externally (i.e. sectoral/environmental conditions). In the real world, internal and external factors often intertwine, so insights in classical management literature may be too simple to help managers cope with their managerial problems. For example, managers are informed by the literature that both empowerment (environmental component) and a person’s need for growth (genetic component) increase work motivation. However, they may have limited knowledge about whether the need for growth still increases work motivation when empowerment is restricted in an environment. If autonomy is different between public and

\textsuperscript{1} OB and PM scholars usually do not differentiate the nonmarket-driven (i.e. nonprofit) private sector from the market-driven (i.e. for-profit) private sector, and mostly, they equalize “private” and “for-profit.” In this study, the term “private sector” refers to the market-driven private sector, and the term “nonprofit sector” refers to the nonmarket-driven private sector.
nonprofit organizations, the positive relationships between a need for growth and work motivation may differ in public and nonprofit organizations. The analysis of public-nonprofit moderation helps to answer this kind of complicated questions.

The analysis of sector switching centers on whether (1) accumulation of experience over time plus (2) a sudden change of the sectoral environment determine one’s current perceptions and attitudes. It is generally believed that experience is distinctive for each individual, and one’s past experience is never independent from current attitudes and perceptions, which are crucial antecedents for work motivation. However, tracking work histories in order to understand each employee’s perceptions, attitudes, and work motivation seems to be an impossible mission for managers. Managers may know the importance of interpreting employees’ perceptual report with caution, but they often have limited access to each individual’s personalized experiences and do not know how their experiences are accumulated in their work history.

“Sector switching” could be one of the many ways for researchers and managers to know the socialization history of their subordinates. In the sense that organizational contexts may be distinctive in the public and nonprofit sectors, it is possible that people switching from one sector to the other draw a picture of the world based on what they have learned in the previous sector, carry that picture to the new environment, and thus witness a world which is in conflict with their created image. If perceptions of the world hinge on one’s work motivation, managers may detect different work motivation for switchers and non-switchers.

Summary

I will generate three main research questions based on my research approaches. In the sense that a clear scope and definition of variables may help facilitate discussion, I would like to
make some efforts to sketch a general scope for work motivation – another focus and also the
dependent variable of this study – in the following section.

1.1 The Scope of Work Motivation and Related Concepts

Generally speaking, work motivation refers to a person’s desire to work hard and work
well (Rainey, 2003, p. 225). While some workers are thought to be diligent in a group, the rest
of the group members should be comparatively indolent, or at least, less hard-working. Scholars
have developed measures for testing motivation and have received some empirical support
(Baldwin, 1990; Patchen, 1965; Wright, 2004). Nonetheless, in many motivation studies people
tend to express that they work hard in self-reported motivation questions regardless of their
position, salary, and especially sector affiliation (see Rainey, 1979, 1983; Baldwin, 1990 for
examples). In other words, the attempt to directly and precisely measure difference of work
motivation among individuals with simple questionnaires can encounter problems. Defining
work motivation may also invoke conundrum (Rainey, 1993). Consequently, a desperate need
for measuring work motivation is the first task for most motivation studies.

Alternatives for measuring work motivation in the literature

Owing to the difficulty in defining and measuring work motivation, alternatives have
been employed to understand its nature and consequence. One of them is to use performance as
a proxy (Wright, 2001). Two typical examples were provided by Locke (1997) and Perry,
Mesch, & Paarlberg (2006). In these two articles, they did not include the term “motivation” but
summarized cross-sector factors concerning motivating human performance in social and
behavioral science research. While employee incentives, job design, goal setting, and

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2 Using concepts such as “intrinsic motivation” is considered an acceptable approach. In the PM field, measuring
public service motivation (PSM) has been becoming a rapidly growing trend.
participation were included in traditional motivation programs, membership behaviors, reliable role behaviors, and innovative and spontaneous action were deemed behavioral outcomes. Several variables, in their review, mediated (e.g. efforts, psychological states, justice, trust, upward communication, group support, perceived fairness, job involvement, organizational commitment, etc.) and moderated (e.g. organizational characteristics, task type, task complexity, hierarchical level, employee ability and knowledge, group homogeneity, extent of participation, etc.) this causality.

It is worth noting that in Locke’s (1997) model, the interactive effects of one’s internal forces (e.g. needs, self-efficacy, personality, etc.) and conditional shaping (e.g. performance outcomes, goal setting, incentives, etc.) do not directly determine whether one takes real actions regarding one’s work and job. Instead, the interactive effects first shape one’s job satisfaction, job involvement, and organizational commitment, and these three general work-related attitudes enhance one’s motivation to take actions. Regardless of the correlations of job satisfaction, work involvement, and organizational commitment, Locke’s argument leads me to contemplate work motivation on another level: is work motivation an attitude, a behavior, or both? As Rainey (2003) put it: must we observe a person exerting effort?

**Work motivation as behaviors, attitudes, and an umbrella concept**

Some studies focused on behaviors instead of attitudes. While Frank & Lewis (2004) deemed work motivation an explicit action and tested it by using a single question from the General Social Survey, which asked respondents how hard they work, they suffered from the bias of self-assessment. In order to avoid self-reported bias, some scholars (Guion & Landy, 1972; Landy & Guion, 1970) suggested that peer evaluation may serve a more objective method.
However, time and resources required for accomplishing the goal makes this approach a less welcome and plausible alternative.

Many studies (Baldwin, 1990; Patchen, 1965; Rainey, 1983; Wright, 2004) asked both how involved respondents are in their work and how hard they work. That is, they considered both attitudes and behaviors. Wright (2004) and Baldwin (1984, 1990) adopted Patchen’s (1965) four-item motivation scale and revised it by adding one or two items. Although they both claimed that the internal reliability had reached an acceptable level (Cronbach’s alpha = .71 and .68 respectively), the scores were not conspicuously high. Rainey (1983) found a three-item variant of this measure to be unreliable. Results of these former studies imply that attitude and behavior may convey implications on two different levels.

Perhaps another plausible approach for measuring work motivation is, as Rainey (2003) suggested, to treat work motivation as an umbrella concept, which embraces a variety of related topics such as organizational commitment, job involvement, job satisfaction, and organizational leadership. Under this umbrella, I argue, work motivation can be interpreted on the attitude level. One may also employ the “prior-motivation” attitudes mentioned in Locke’s (1997) model – job satisfaction, job involvement, organizational commitment, and incentives to work – as a substitute for direct motivation measurement.

**Work motivational attitudes: a proxy measure used in this study**

Although attitudes such as job satisfaction, job involvement, organizational commitment, and incentives to work are conceptualized differently and have distinctive measures, studies have reported correlations larger than 0.5 between any of these two attitudes (see Brooke, Russell, & Price, 1988 for more details). Some studies also adopted more than two items simultaneously for dependent variables (Blau, 1987; Emmert & Taher, 1992; Igbaria, Parasuraman, & Badawy,
In the sense that my first intent is to seek a substitute for work motivation rather than to draw a clear boundary for these attitudes, an aggregate alternative construct that combines these related concepts should be considered as an adequate proxy variable for work motivation. Therefore, a proxy variable, labeled “work motivational attitudes,” is employed to study work motivation in this dissertation.

Another perspective which supports me to combine these items originates from work alienation (Seeman, 1959, 1975), which reflects one’s powerlessness (i.e. the perceived lack of autonomy and control of the job), meaninglessness (i.e. incomprehensibility or inability to understand one’s complex environment), normlessness (i.e. the frustration of the need to evaluate oneself through social comparison), and self-estrangement (i.e. the sense of lacking opportunities for the satisfaction of self-actualization). Scholars often attempt to study work alienation through both sociological approach and psychological approach. While some psychoanalysts, such as Kanungo (1982), contended that alienation is antonymous with involvement only, Miller (1967) employed job satisfaction, job commitment, and job involvement as his construct for work alienation. Some scholars (DeHart-Davis & Pandey, 2005; Lefkowitz & Brigando, 1980; Pandey & Kingsley, 2000) also suggested that treating work alienation as an umbrella concept will be best mapped by a range of closely related and possibly redundant constructs. One may also argue that work alienation and work motivational attitudes are two sides of a coin.

Admittedly, “work motivational attitudes” as a proxy measure may not help one objectively depict how hard one works. However, considering the fact that job involvement, job satisfaction, and organizational commitment often correlate with each other but their causal relationships cannot be sorted out systematically (Brown, 1996; Mathieu & Zajac, 1990), an integrated attitudinal construct may more faithfully reflect one’s complicated attitudes related to work.
work motivation. In addition, because self-reported “behavioral” questions frequently lead to biased assessments, removing behavioral items and focusing on “work motivational attitudes” may help one create a more parsimonious and effective measure for work motivation. After all, as I mentioned earlier, I do not intend to remedy the definition problem. The desire to clearly define work motivation often invokes more unsolvable disputes.

**Summary**

Human beings know a lot more than what they can say. Tacit knowledge exists in the gap between what people know and what people can say, and it can barely be delivered from one to another, as Polanyi (1966) indicated in his famous book – *The Tacit Dimension*. Work motivation, a critical issue in both OB and PM research, has this tacit nature – “you know what that is when you see it, but the real difficulty occurs when you try to put it in words” (Gabris & Simo, 1995).

Literature reviewed in this section includes definition of work motivation and scholars’ attempt to define and measure it. One of the many ways for alternative measurement is treating work motivation as an umbrella concept and including related attitudes such as job satisfaction, organizational commitment, work involvement, and incentives to work. I agree with this opinion and provide rationales for combining these concepts. Labeled “work motivational attitudes,” the integrated and aggregate construct serves as an adequate proxy in measuring work motivation. This alternative will be used throughout this dissertation.

**1.2 Research Questions**

I switch my discussion back to public-nonprofit comparison. I will propose three main research questions related to public-nonprofit sector affiliation, switching, and moderation.
Q1: Does the context differ across the public and the nonprofit sectors? If the answer is positive, do the differences result in a gap of work motivational attitudes between public and nonprofit sector workers?

While PM scholars claim that the context of public organizations is distinctive, how should we define the word “distinctive”? Does it differ only from that in the private sector or that in the nonprofit sector as well? Although most classical studies would endorse the perspective of the public-private distinction, Bozeman’s (1987) argument of “publicness” drives me to address the distinction between sectors from a different angle: public, private and nonprofit organizations overlap in several aspects in terms of their economic and political authorities. The overlaps create both similarities and differences between public and nonprofit organizations, and the similarities and differences determine work motivational attitudes for workers in these two independent sectors.

One may argue that public and nonprofit organizations are alike by looking at the economic dimension. Both the public and nonprofit sectors differ from the private sector in many facets such as competition, market mechanism, and profit making; although nonprofit organizations may sometimes have a more precarious existence than the government. Their first commonality, accordingly, is the absence of a financial authority. In addition, both public and nonprofit organizations produce public goods and deliver public services, which can bring significant externalities and performance measurement difficulties (Berman, 2006). The absence of a clear benchmark of performance measurement increases the complexity of performance-based reward in both public and nonprofit organizations, and substantive rewards are critical determinants for work motivational attitudes. Lacking measurable indicators is often accompanied by ambiguous goals, which cause deleterious influences on work motivational
attitudes as well. Despite some common destructive features, public and nonprofit organizations share one positive characteristic: they both provide chances for employees to serve the public, which may in turn attract “spontaneous” and self-motivated volunteers for altruistic work.

Looking more deeply into the legal and political dimensions, one may find few evidences suggesting that the context of the public sector is akin to that of the nonprofit sector. Public organizations, in contrast to both nonprofit and private organizations, need to face more complex political influences, political oversight, and legal constraints. Therefore, public sector workers are subject to more red tape, formal bureaucratic structures, and sporadic decision making, that distracts them from concentrating on their work. These features also cause more organizational risk aversion and less top-down empowerment, which increase the likelihood of work alienation for those who work in the government.

Contextual features on the sector level pertain to one’s work motivational attitudes. Regarding the comparison of work motivational attitudes between public and nonprofit sector workers, one may receive conflicting claims by consulting economic insights and political insights – one suggests attitudinal difference, whereas one suggests attitudinal similarity. These conflicting perspectives inspire me to investigate possible antecedents of work motivational attitudes attached to political and economic conditions in both public and nonprofit organizations. I will first compare goal ambiguity, red tape, formalization of the structure, organizational risk aversion, and top-down trust perceived by managers in these two non-market sectors. In addition, I will discuss whether managers’ perceptions of these factors affect their work motivational attitudes. To iterate, my secondary questions include:
Q1.1. Managers’ perceived goal clarity, red tape, formalization in the structure, organizational risk aversion, and top-down trust reflect their economic and political authority. Do they differ between the public and nonprofit sectors?

Q1.2. Do public and nonprofit sector managers exhibit different levels of work motivational attitudes?

Q1.3. If attitudinal difference does exist, does this difference originate from different political authorities between public and nonprofit managers? If attitudinal difference cannot be observed, does it stem from similar economic authorities between public and nonprofit managers? More specifically, do perceptions of their political and economic authorities mediate the causality between sector affiliation and work motivational attitudes?

Q2: How does socialization or “sector switching” shape one’s work motivational attitudes?

With regard to antecedents on the sector level, one’s work motivational attitudes are the results of not only public-nonprofit sector affiliation but also sector switching and socialization. Sector switching denotes that people who worked in one sector switch to a new sector (e.g. either switching from the nonprofit to the public sector or switching from the public to the nonprofit sector), and socialization refers to how one modifies and creates a value system by adapting to the external environment over time. Although most social phenomena, such as work motivational attitudes, are often accompanied by a long-run environmental shaping, most motivation studies attached to sector comparison fall short of illuminating the decisive role of time, sector switching, and socialization because collecting cross-sectional and single-time-point data is much easier and more convenient than collecting longitudinal behavioral data.

Therefore, my second research question centers on the decisive role of “time” in the socialization and sector switching process. Before raising my question, I would like to make
some efforts in introducing “contrast effect,” an effect which frequently alters one’s perceptions. Contrast effect (Louis, 1980; Sherif & Hovland, 1961) takes place when people are previously exposed to a stimulus of lesser or greater value. For example, people may tend to feel that their contemporary environment is pleasant if they stayed in a less unsatisfactory environment. Psychologists have noticed this phenomenon and used it to interpret cognitive bias. For newcomers in an organization, a contrast between the experiences accumulated in the previous sector and the contemporary work conditions perceived in the current sector is a critical input for their sense making, attribute meaning, and behavioral response.

A question that concerns me is the role that contrast effect plays in the synthesis of the previous sector settings, and the way it shapes one’s perceptions and behaviors. More specifically, if economic and political authorities for managers differ between the public and nonprofit sectors, do those who switch from the nonprofit sector to the public sector perceive a scenario of authority different from that perceived by those who have only served in the public sector? Similarly, do those who switch from the public sector to the nonprofit sector perceive a scenario of authority different from that perceived by those who have only worked in the nonprofit sector? If consequences of economic and political authorities perceived by managers determine their work motivational attitudes, should one also anticipate that work motivational attitudes reported by sector switchers and non-switchers will be different?

Work motivational attitudes cannot be independent from one’s perceptions of current work condition. If socialization over time in one sector indeed increases a sector switcher’s sensitivity toward making evaluations, or in other words, alters his/her standards of evaluation on the current economic and political authorities, may one also surmise that sector switchers and non-switchers could exhibit different levels of work motivational attitudes? In short,
Q2.1. Do sector switchers and non-switchers evaluate their current goal clarity, red tape, formalization in the structure, organizational risk aversion, and top-down trust based on two distinctive sets of criteria due to their different socialization experiences?

Q2.2. Insomuch as perceived economic and political authorities are sources for one’s work motivational attitudes, should one also anticipate that work motivational attitudes will differ between switchers and non-switchers if Q2.1 is proven to be true?

Why is sector switching an important issue? First, it creates a channel for managers to access the socialization history of their employees. Their management toward individuals with different backgrounds will be more effective if they are well informed. Second, it reexamines whether public-nonprofit sector affiliation matters. Public-nonprofit sector switching will not generate a gap of work motivational attitudes and perceived goal clarity, organizational risk aversion, red tape, etc. between sector switchers and non-switchers if public and nonprofit sector managers do not perceive their current work conditions differently.

Finally, in interpreting work motivational attitudes, sector switching or contrast effect serves as a counterbalance to self-selection effect (Bellante & Link, 1981). Arguably, if public and nonprofit sector managers are found to demonstrate different levels of work motivational attitudes, one may attribute the difference to self-selection and contend that “public organizations are more likely to attract risk-averse people and those who only care about extrinsic rewards such as job security and fringe benefits; nonprofit organizations are more likely to hire intrinsically motivated volunteers who care about altruistic behaviors.” However, if self-selection is the only source, one should witness little difference of work motivational attitudes reported by sector switchers and non-switchers. In summary, the discussion of sector switching can help managers and researchers (1) more successfully elucidate the synthesis of previous and
current sector settings and its impacts on work motivational attitudes, (2) more clearly understand how one’s socialization history is reflected on perceptions and attitudes in the current sector, and (3) distinguish whether self-selection or contrast effect is more determinative in forming one’s work motivational attitudes.

**Q3: How do intrinsic and extrinsic needs influence one’s work motivational attitudes?**

**Would the impacts of intrinsic and extrinsic needs on work motivational attitudes be constant across the public and the nonprofit sectors? Why or why not?**

According to Q1, work motivational attitudes are the results of perceived external work conditions. As Buchanan (1975) claimed, red tape makes people in the public sector feel the loss of their personal impact on organizations and the frustration on service ethics, so they are less likely to be committed to their organizations and involved in their work. One may also argue that a frustrating work condition can discourage well-motivated people. However, in the end of Q2, I offered a different view – self-selection – to explain possible differences of work motivational attitudes between public and nonprofit managers. Bellante & Link (1981) indicated that risk-averse people are more likely to join the public sector, and risk aversion is often associated with low work motivation and negative work motivational attitudes. In other words, if work motivational attitudes are found to be more negative in the public than in the nonprofit sector, one may attribute this phenomenon to a person’s inherent needs as well.

These two quite different views lead me to contemplate antecedents of work motivational attitudes on another level: if both of these two antagonistic views are true, is it possible that both one’s inherent needs and external environments can simultaneously determine work motivational attitudes? If the answer is positive, what kinds of impacts do they generate on work motivational attitudes? Independent impacts, interactive impacts, or both? More specifically, when one
argues that people’s congenital propensities may ameliorate/deteriorate their work motivational attitudes, is it possible that the impacts brought by these propensities are mitigated/reinforced in different environments, for example, public and nonprofit organizations?

The discussion of need satisfaction may help answer this question. In one study of work alienation, Kanungo (1982) concluded that those who value extrinsic needs (e.g. fringe benefits, pension plans, bonus, etc.) highly are less likely to be alienated in their work because these needs are relatively easy to be met as opposed to intrinsic needs (e.g. personal growth, responsibility, self-actualization, etc.). Ryan & Deci (2000a) extended the scope to intrinsic needs. They contend that satisfaction of both competence and autonomy is the prerequisite for a high level of intrinsic motivation. From this perspective, the impact of one’s intrinsic needs on work motivation is also moderated by need satisfaction, which is comprised of competence and autonomy. Despite their conclusion, at least we have been informed that “satisfaction of needs” may moderate the impacts of needs/values on work motivational attitudes.

If the claim that “satisfaction of needs” moderates need-attitude relationships is valid, will the need-attitude relationships be constant across the public and the nonprofit sector if public-nonprofit sector distinction determines satisfaction of needs? In order to answer this question, I will briefly introduce the Attribution Theory (Weiner, 1986). This theory hints that people who have strong intrinsic needs tend to exhibit positive work motivational attitudes, whereas extrinsic needs are usually the source of negative work motivational attitudes. For example, a need for responsibility (i.e. intrinsic) may enhance work motivation and lead to positive motivational attitudes, but a need for money (i.e. extrinsic) usually correlates with negative work motivational attitudes.

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3 Admittedly, values and needs have different definitions and scopes. However, they both refer to one’s internal motives in most motivation studies. They are used interchangeably in this study.
Could these positive and negative relationships be identical in public and nonprofit organizations? More specifically, for example, do those who have a desire for responsibility share an equal chance to satisfy this need across the public and nonprofit sectors? The answer may be negative. Many classical studies indicate that public sector employees often report low scores on autonomy due to their legal constraints (e.g. Rainey & Bozeman, 2000). Because decrease of autonomy may be synonymous with a loss of responsibility, one may be more likely to witness an undermined or compromised impact of the need for responsibility on work motivational attitudes in the public sector than in the nonprofit sector.

My third question emanates from the likelihood of need satisfaction in the public and nonprofit sectors. In the sense that the context may be distinctive in the public and nonprofit sectors, the potential for satisfying various intrinsic and extrinsic needs should be different across the sectors. To iterate, the point for my third research question hinges on how the public-nonprofit sector distinction moderates the impacts of various needs on work motivational attitudes through the function of need satisfaction.

Q3.1. Do both inherent needs and environmental influences cause impacts on work motivational attitudes concurrently?

Q3.2. How do extrinsic and intrinsic needs cause impacts on work motivational attitudes?

Q3.3 Assuming that need satisfaction moderates need-attitude relationships, and public-nonprofit sector distinction determines need satisfaction, will the relationships between various needs and work motivational attitudes be different across the public and nonprofit sectors because the likelihood for need satisfaction differs across the sectors?
Summary

My three research questions reflect that developing a motivation theory of public-
nonprofit comparison requires questions regarding sector affiliation, sector switching, and sector
moderation. In order to explore the answers for my research questions, I conduct this study via a
“meso” approach. In the next section, I will briefly (1) introduce the meaning and the origin of
the meso approach as well as the “level” of variables, and (2) address the advantages of
employing a meso approach and cross-level variables in OB studies.

1.3 The Research Approach Employed in this Study: A Meso Approach

Understanding “level” is the prerequisite for capturing the essence of the meso approach.
The metaphor “level” is commonly used in differentiating variables in OB studies. This term
was first introduced to the modern OB research by Rousseau (1985).

The development of a meso approach in the history

In the early phase of organization theory development, actors in organizations are
assumed to be rational and they are the only reason that determines whether organizations
operate smoothly. Micro level factors such as one’s cognition, personalities, and demographic
features thus play a dominant role in explaining phenomena in organizations. However, this
view was challenged by some sociological theories such as institutional theory (DiMaggio &
Powell, 1983; Meyer & Rowan, 1977; Meyer & Scott, 1983) and ecological theory (Aldrich &
Pfeffer, 1976; Carroll, 1984; Hannan & Freeman, 1984), which attribute successful operation and
survival of organizations to macro level factors such as environmental selection, reproduction of
organizations, mimetic mechanism, and isomorphism.
In this, OB is comprised of two origins. Micro OB reflects a dispositional perspective which originates from the psychological inquiry, whereas macro OB reflects a structural perspective which roots in the sociological inquiry (Kozlowski & Klein, 2000). Due to their distinctive and exclusive research interests, mutual understanding has long been lacking as has research conducted in a micro-macro integrated view. In fact, the history of scholars linking micro and macro is long and can be traced back to the 1950s, when Parson (1951) illustrated in his social structuralism that the fundamental unit of analysis of sociological investigation is “social structure.” This structure is, according to Turner & Boyns (2001), patterns of social interaction among individuals and corporate units. Merton’s (1968) call for a middle-range theory is also a strategy to narrow the micro-macro gap. However, it is not until the 1980s that a more solidified research appeared. Rousseau (1985) noted that a comprehensive understanding of OB phenomena relies on simultaneous inclusion of micro and macro level independent variables. After their first conversion in the Journal of Management, representatives of the micro OB (Staw, 1991) and the macro OB (Pfeffer, 1991) created a new term “macro organizational psychology.” It implies that these two OB traditions may complement with each other in explaining OB phenomena. These early efforts led to the advent of the meso approach.

**The importance of the meso approach: the emphasis of micro-macro interactive dynamics**

The meso approach refers to a framework for the integration of micro and macro OB (House, Rousseau, & Thomas-Hunt, 1995). It is not, nonetheless, the summation of independent micro OB and macro OB (i.e. meso ≠ micro + macro). According to Klein & Kozlowski (2000) and House et al. (1995), micro and macro level factors are mutually inclusive, embedded, and sometimes generate interactive impacts in predicting the dependent variable via upward and downward processes. The upward cross-level process is demonstrated by the impact that
aggregate of individuals can impose on collective constructs such as organizational cultures. The downward OB studies are conducted by those who tend to address the effect of high-level characteristics on lower-level processes. In short, studies conducted via a meso approach can more accurately reflect the dynamics of how micro and macro level factors interact.

**Linking the meso approach to my research questions**

Answering my research questions requires a meso approach study. My first set of research questions are mainly concerned with macro level factors. Nonetheless, my third research question – does public-nonprofit distinction (higher level characteristics) moderate the influences of person’s inherent needs (lower level characteristics) on work motivational attitudes – incorporates the interactive effects of micro and macro level factors. More specifically, the variable relationships of this study conform to the downward OB process.

The point of the second research question (socialization sector switching) is the impact of “time.” Some may question the importance of the effect generated by time. Is that important? Why should that be a critical component of the meso approach? Does that change the effect of independent variables? One cross-level study about threat-rigid (Staw, Sandelands, & Dutton, 1981) reveals the advantage of including the impact of time. In that study, the authors indicated that threat stemming from environmental change can cause stress and anxiety, restrict an organization’s capacity in processing information, and contribute to managerial rigidity. However, one can easily falsify this inference because in many cases the management of organizational change is successful (Fernandez & Rainey, 2006). Not all survivors of organizational change experience emotional distress. A long-term adaptation may drive many energetic workers to consider organizational change a chance for their growth and thus work harder and increase their good citizenship (Mishra & Spreitzer, 1998). That is, “threat” may
convey different implications for employees at two different time points. Similarly, one may infer that work motivational attitudes reported by respondents at different time points reflect their adaptation to different external environments over time. When respondents (1) have had experiences in heterogeneous environments and (2) have limited time to adapt to the new environment, their work motivational attitudes may appear to be diverse among individuals.

Summary

In short, the traditional OB has limited capability in its interpretation of organizational phenomena. OB has two obsolete definitions. The first one is Big-B, which emphasizes behaviors that may be relevant for organizations. The second one is Contextual-B, which emphasizes behaviors that occur in an organizational context (Heath & Sitkin, 2001). Both perspectives over stress peripheral issues in a single organization but omit the influence from a macro scope. One may find the Big-O, or the meso, approach to be preferable insomuch that it evokes attention to cross-level dynamics. One can also effectively avoid possible inference bias originating from the negligence of the time effect by employing the meso approach.

1.4 Chapters in this Study

There are five chapters in this study. Chapter Two is a literature review. As a counterpart of the meso approach, I will review antecedents of work motivational attitudes on both the macro and the micro levels. Antecedents reviewed in this chapter are generally considered to be distinctive in the government based on public-private comparison because literature with regard to public-nonprofit comparison is lacking. Similar to a mirror, the public-private comparison reflects what may result in public-nonprofit differences and thus helps broaden the terrain of public-sector motivation theories. On the micro level, I will concentrate
on the discussion of individual needs, which covers a variety of different themes such as typology of needs, need-attitude causalities, satisfaction of needs, and theories backing up these themes. At the end of this chapter I will merely focus on how the sectors and people’s needs intertwine. More specifically, my intent is to further examine satisfaction of needs from the view of sector moderation. If the reported satisfaction of needs differs between public and private managers, one may surmise that sector affiliation cannot be independent from the likelihood of need satisfaction. Accordingly it is reasonable to surmise that public-nonprofit distinction moderates need-attitude relationships, which is one of the main hypotheses in the next chapter.

In Chapter Three, I will provide new directions for sector-related motivation studies. The first new direction is public-nonprofit comparison. The literature reviewed in the last chapter hints that sector-embedded antecedents of work motivational attitudes such as political and economic authorities, goals and tasks, cultures, and organizational structures may differ across the public and private sectors. Due to the differences, motivating public sector workers is different from those who work in market-driven private organizations. In that nonprofit organizations operate in the “gray zone,” we have little knowledge about whether these differences exist between public and nonprofit organizations. Attending to public-nonprofit comparison in these dimensions helps one more clearly understand specific contexts in these two sectors, develop management theories tailored for public and nonprofit managers, and explain possible difference in work motivational attitudes for public and nonprofit sector workers.

The second new direction is sector switching and sector imprinting. To be involved in a new job and committed to a new organization, one needs time to adapt to external environments. People tend to compare the contemporary environment with their past experience if the time is
not long enough to dilute their memory. Theories of “contrast effects” will be reviewed in this section in order to unveil sector imprinting effect, an issue long been neglected in PM.

The third new direction is an extension of section 2.2 and 2.3. It is concerned with individual need typology, need-attitude relationships, need satisfaction, and whether need satisfaction is related to public-nonprofit distinction. Contributions of this new direction are two fold. On the side of theoretical development, previous studies on sector comparison have frequently linked to needs and need satisfaction, but they have never tackled need-attitude causalities. In contrast, psychological studies regarding need-attitude relationships have seldom treated sector distinction as a determinant for need satisfaction. As a pioneer, this study incorporates these two seemingly unrelated elements and integrates them in one model. On the side of methodological progress, this study employs the meso approach, which more vividly portrays the dynamics of antecedents for work motivational attitudes. In short, I will systematically sort out various intrinsic and extrinsic needs and discuss how they cause impacts on work motivational attitudes in public and nonprofit organizations.

Chapter Four introduces data, variables, measures, and statistical methods used in this study. The data for this study are from the National Administrative Studies Project (NASP III). The data include 1220 questionnaire responses from government (n = 790) and nonprofit (n = 430) managers in Georgia and Illinois. After recoding, variables selected to conduct statistical analyses are measured by either dichotomous or 1-4 ordinal scales. The dependent variable – work motivational attitudes – is measured by relevant items such as job involvement, job satisfaction, organizational commitment, and incentives to work. Statistical techniques used to test the functions of sector affiliation, switching, and moderation will be discussed more deeply. Statistical findings and related discussions will follow and be reported at the end of Chapter Four.
Chapter Five embraces (1) findings vs. hypotheses, (2) theory development, and (3) research limitations and suggestions for future research. The most important contribution of this study is to expand the border of a “sector comparison theory of work motivation” to the field of public-nonprofit distinction. Do findings break some of our stereotypes about public and nonprofit similarities? What can we learn from public-nonprofit sector affiliation, moderation, and switching if all of them shape one’s work motivational attitudes? In general, both public and nonprofit managers may also benefit from this comparison if substantial differences exist between these two sectors. At the least, statistical evidences will show whether two sets of motivation and management theories tailored for public and nonprofit managers are necessary.

Of course, public-nonprofit sector distinction may be only one of the many aspects that we can choose from for conducting comparative studies, and sometimes it is wrong-heading because not all public or nonprofit organizations are the same. They differ in size, age, population, technology, area, etc. A comprehensive study for comparison should consider or control all these features. However, due to some limitations with my research questions and data, I cannot cover every single variable for this research. I will include this point in my research limitation and, based on this, draw a blueprint for future studies.
CHAPTER TWO – LITERATURE REVIEW

2.0 General Content and Layout of this Chapter

The main focus of this study is “whether sector matters” in forming work motivational attitudes. More specifically, I will explore whether public-nonprofit sector affiliation, sector switching, and sector moderation predict work motivational attitudes. To obtain the knowledge about how public-nonprofit sector affiliation and sector switching influence work motivational attitudes requires one to (1) explore antecedents of work motivational attitudes and (2) examine whether these antecedents are distinctive across the public and nonprofit sectors. However, studies about both public-nonprofit comparison and sector switching are sparse in the literature, and the scanty literature increases the difficulty of my review.

In consequence, I will leave the discussion of sector switching and public-nonprofit comparison to the next chapter – new directions and hypotheses. The main concern of this chapter, instead, is a more fundamental question: If one argues that work motivational attitudes could be unique in the public sector, or that the public sector is a distinctive form of organization apart from any other organizational types, including private and nonprofit, what makes the public sector so distinctive? According to Rainey (2003), the distinctiveness of an organizational type is usually determined by three facets: economic power, legal power, and political power. While market pressure, profit-making, substantial rewards, financial autonomy, and the difficulty of goal setting are all reflections of an organization’s economic power, the political and legal power is well represented by the levels of political interference, red tape, formalization, empowerment,
and organizational risk aversion. Most importantly, these economic, political, and legal factors could be critical antecedents of work motivational attitudes.

Section 2.1, accordingly, covers several multi-dimensional factors which both shape one’s work motivational attitudes and make the public sector a politically, economically, and legally distinctive form of organization. These dimensions include a general political environment, an economic environment, incentive structures and self-selection, goal and task ambiguity, formal structures and red tape, organizational risk-aversion, and a top-down trust culture. Perhaps looking more deeply into why these factors are distinctive in the public sector by reading some literature about public-private comparison will help one be more clearly informed whether these factors will conspicuously differ across the public and nonprofit agencies and in turn generate a gap of work motivational attitudes between public and nonprofit managers.

With respect to another research focus – public-nonprofit sector moderation, one needs more profound knowledge about (1) a clear typology of needs, (2) relationships between various needs and work motivational attitudes, (3) whether satisfaction of needs changes the previously mentioned relationships, and (4) whether satisfaction of needs is related to sector distinction, or more specifically, is determined by sector moderation. Therefore, the goal of the literature review in section 2.2 is to explore motivation-related individual needs and analyze them with appropriate typologies. The intrinsic-extrinsic dichotomy is probably the most popular and well-known typology. According to the Attribution Theory (Weiner, 1986), intrinsically motivated people are more likely than extrinsically motivated ones to exhibit positive work motivational attitudes. However, the Self-Determination Theory (Ryan & Deci, 2000a, 2000b), which indicates that extrinsic motivation is more diverse than alike depending on the locus of causality, requires one to more carefully examine whether the extrinsic-intrinsic dichotomy and the need-
attitude relationships claimed by the Attribution Theory are over-simplified and misleading. Please refer to section 2.2 for more details.

In addition, section 2.2 will also deal with the issue of need satisfaction. The main point of need satisfaction in section 2.2 is not whether sector distinction determines satisfaction of needs, but instead, is whether the impacts of needs on work motivational attitudes will change when one’s needs fail to be satisfied. As to the connection between sector distinction and need satisfaction, I will review relevant literature in section 2.3. Literature in this section includes (1) whether people working in different sectors tend to have different need priorities and (2) how workers perceive their current status of various needs in order to explore whether their needs are satisfied. Due to the underdeveloped nature of public-nonprofit comparative studies, the argument about “sector determination” entirely relies on public-private comparison. In short, literature review in section 2.3 identifies whether sector distinction is a determinant for one’s need satisfaction.

2.1 Environmental Antecedents of Work Motivational Attitudes and their Distinctiveness in the Public Sector

A statistical report in one study of job satisfaction by Arvey et al. (1989) attracted my notice. They stated that despite a significant genetic component to general satisfaction, this component is not overwhelming. Approximately 70% of the total variance is explained by environmental factors. This finding intrigued my interest in first looking into the environmental antecedents of work motivational attitudes. Based on my research question, which focuses on whether public-nonprofit sector affiliation matters in forming work motivational attitudes, the
discussion of external environments mainly relies on contextual features that merely belong to governmental agencies due to the paucity of public-nonprofit comparative study in the literature.

Proponents of the macro OB hold that motivation is a consequence of attitudes such as involvement, commitment, and satisfaction. They assume that the potential for motivation is latent and the cognitive appraisal of environmental features causes motivated behavior (Brown, 1996). If environments are different across the sectors, work motivational attitudes may appear to be distinctive across the sectors as well. However, conventional wisdom tends to show that the context in the public sector does not make the sector itself a distinctive form of organization. Sayre (1958) argued that public and other types of organizations are fundamentally alike in all unimportant respects. Many contemporary organizational theorists (e.g. Daft, 2006) do not differentiate organizational types as well. Bozeman’s (1987) publicness heuristic, particularly, addresses the difficulty in clearly drawing a boundary between any two types of organizations.

Because of the belief that public sector is not a form atypical to other sector forms, administrative reform advocates argued that government could be as efficient as business agencies as long as business-like techniques such as privatization are introduced. Nonetheless, having been served as a target for administrative reform for decades, public sector workers still look less diligent and more antipathetic to their work compared to their private counterparts. Inasmuch as these governmental reform activities do not seem to achieve a conspicuous success, the unsatisfactory result leads PM scholars to more confidently assert that public organizations operate in a distinctive environment in which some embedded features can compromise public manager work motivational attitudes.

However, how to determine if the context of one sector is unique, or different from the context of another sector? Bozeman’s (1987) typology of organizations serves as a preliminary
answer for this question. He argued that organizational distinctiveness is the result of different economic and political authorities. Rainey (2003) analyzed distinctive characteristics of public management by adding the legal dimension. By reviewing the literature of sector comparison, especially public-private comparison (Boyne, 2002; Rainey & Bozeman, 2000), I found that a limited economic, political, and legal power for the public sector is reflected in the following dimensions: an economic environment where profit-making is lacking, a political environment where conflicting demands are pervasive, a legal environment where constraints are over-emphasized, and features attached to the environments such as poor external incentive structures and self-selection, goal and task ambiguity, formalized structures and red tape, organizational risk aversion, and a low top-down trust culture. Most importantly, they are all critical sources of work motivational attitudes in the literature of general management.

I will carefully review the literature about these earlier-mentioned different types of power and environmental factors in the public sector. The limitation of my literature is that it entirely comes from general management and public-private instead of public-nonprofit comparison. However, the assertion of “public sector distinctiveness” and analytical dimensions provided by these earlier studies still contribute to my investigation regarding public-nonprofit comparison in the next chapter.

**A limited economic power in the public sector**

From the view of economic power, public organizations have little control over their finance – they do not make profits and their major funding source is tax. This reflects the truth that they operate in an environment where market mechanism poorly functions. Unlike private organizations, public organizations usually provide public services and cannot sell their products in a market, so they typically have few rivals for their service provision. Even when the
competition is present, public managers are frequently in a dominant position in the market (Boyne, 2002). From another perspective, competing with other organizations for consumers can possibly duplicate the delivery of some not-for-profit services, which is not desirable for public organizations.

However, drawbacks stemming from the absence of market mechanism are salient. First, profit is not the primary concern, so high efficiency and cost-saving are often unattainable for public organizations. Second, governmental agencies are almost “immortal” because they seldom encounter survival pressure. Because change is not preferable or even unnecessary, risk taking and entrepreneurship are less encouraged in public organizations. Third, a well-developed measurement system is the perquisite for profit making. Due to the not-for-profit nature of public service delivery, public organizations often fail to provide adequate indicators of performance measurement.

Consequences of the not-for-profit nature and a poor performance measurement system are two-fold: (1) unique incentive structures and self-selection, and (2) goal and task ambiguity. Both of them strongly hinge on work motivational attitudes.

**The consequence of a limited economic power (1): unique incentive structures, self-selection, and their impacts on work motivational attitudes**

Studies generally find that external rewards such as high salary, benefits, and career expectations (e.g. sufficient chances for promotion) are important determinants for positive work motivational attitudes. However, public sector managers often fail to motivate their subordinates with external rewards because (1) public organizations do not make profits and cannot control their financial autonomy, and (2) a poor performance measurement system hampers them from
doing so. It is not too surprising that work motivational attitudes are generally low in public sector organizations.

One may argue that external punishments, such as layoff and salary cutback, are not prevalent in the public sector in the sense that profit-making and efficiency are not the primary concerns. Attractions such as job security may ameliorate work motivational attitudes. A competing perspective contends that the relationship between external rewards and work motivational attitudes is not that straightforward. People’s internal value system may direct them to choose their preferred sectors. Therefore, one’s work motivational attitudes are not only the outcome of external rewards but also a result of the self-selection effect.

Self-selection denotes that people prefer working in an environment where the external working conditions are compatible with their inherent value system. For example, insomuch that both high job security and low financial rewards exist in the public sector, those who choose to work in the public sector may be mentally associated with job security instead of external rewards. Sometimes a concern for job security is synonymous with risk aversion. One study proved this perspective by indicating that public managers have an inherently risk-averse personality (Bellante & Link, 1981). In other words, a security embedded reward system in the public sector attracts those who are congenitally conservative and risk-averse to work there, which in turn deteriorates the overall motivation at the worksite. As a result of self-selection, work motivational attitudes may appear to be more negative in the public sector than in other organizational types.
The consequence of a limited economic power (2): goal ambiguity, task ambiguity, and their impacts on work motivational attitudes

When an organization’s financial authority is low and performance indicators are lacking, external interference could increase and lead to ambiguous goals. In a study of federal, state, and local government employees, Baldwin (1987) found that the clarity of organizational goals had a positive impact on work motivation. While the causal relationship between these two factors can be reversed, studies concluded that both role ambiguity and goal ambiguity are associated with negative work motivational attitudes (Chun & Rainey, 2004; Igbaria, et al., 1994; Pandey & Rainey, 2006) and poor organizational performance (Choi, Cho, Wright, & Brudney, 2005; Tubre & Collins, 2000). Task clarity pertains to goal clarity. It is believed that a clear task allows the organization to communicate goals easily and develop a mission-oriented culture (Moynihan & Pandey, 2005). Goal theories also point out that the causality between organization goals and work motivation is mediated by task-level goal specificity (Wright, 2004). Therefore, a weak economic authority in the public sector also implies ambiguous goals, ambiguous tasks, and negative work motivational attitudes.

Recent studies also link the public sector’s goal/task ambiguity to some political and policy reasons. Generally, the value-laden nature (e.g. equity and accountability) and common ownership make goals in public organizations more complex. Conflicting demands/directives from numerous stakeholders imposed on public managers also create multiple goals. The vagueness of goals in governmental agencies is a reflection of “policy ambiguity,” which is a common asset for different political actors. In other words, public policies will not be adopted and implemented without support from politicians and diverse interest groups (Boyne, 2002). Empirical evidences support this perspective. Chun & Rainey (2005b) found that goals become
ambiguous when financial publicness, competing demands, regulatory policy responsibilities, and policy complexity increase. Other studies also indicated that interacting with external political actors and engaging in exchange of resources or joint decision making increases the public sector’s goal ambiguity (Pandey & Rainey, 2006; Pandey & Wright, 2006).

Based on my literature review about economic power, I argue that consequences of a weak economic power are not independent from a weak political power. In the following subsections, accordingly, I will introduce the public sector’s weak political authority, the second analytical axis. The discussion of consequences of a weak political authority will follow.

**A limited political-legal power in the public sector**

Acting on behalf of governmental institutions and citizens, public organizations first (1) face more political actors such as legislators, interest groups, clients, etc. and (2) implement policies under the support of tax funding. In the sense that stakeholders have a variety of interests which appear to be conflicting, public managers incur more contradictory demands. Relying on political support from these actors in order to obtain appropriations and authorization for actions, public organizations consequently face such a complex network where different requirements can easily cause sporadic decision making and conflicting goals. Some political actors such as the legislative branch, higher-level administrative branch, and courts can even impose legal constraints on the government. The presence of elaborate and intensive formalized rules is the result of oversight by these actors.

As a result of damaged autonomy in making decisions and legal constraints, public sector managers have weaker authority over subordinates and show greater reluctance to delegate. A more negative outcome is the erosion of trust between top management and employees and organizational risk aversion, although one may attribute this feature to another characteristic – a
high turnover rate of top executive leaders. Of course, executive instability is also the side effect of political intervention, which result in frequent change in policy and short time-horizons in top public managers (Boyne, 2002). In sum, consequences of the public sector’s limited political-legal power could include goal conflict and goal ambiguity (discussed earlier), formalized rules and red tape, compromised autonomy and authority for public managers, a tension between top management and employees, and organizational risk aversion. I will more carefully analyze these factors in the following subsections.

**The consequence of a limited political-legal power (1): formalized structures, red tape, their connection to goal ambiguity, and impacts on work motivational attitudes**

Formalization refers to the extent to which rules and procedures are specified (i.e. job codification) and to which subordinates comply with these rules and procedures (i.e. rule observation) (Agarwal, 1993; Aiken & Hage, 1966; Hage & Aiken, 1967). Formalization also helps managers prescribe detailed guidelines for smoother coordination (Michaels, Cron, Dubinsky, & Joachimsthaler, 1988). From the perspective of knowledge delivery, formalization reduces goal ambiguity and in turn ameliorates workers’ motivational attitudes (Pandey & Rainey, 2006). However, proliferated rules and excess procedures reduce one’s autonomy, increase one’s role ambiguity and role conflict, and finally result in work alienation (Agarwal, 1993; Agarwal & Ramaswami, 1993). The overemphasized formalization that entails a compliance burden, triggers high compliance cost, but has no efficacy for the functional object is called “red tape” (Bozeman, 1993, 2000; Bozeman & Scott, 1996; Pandey & Scott, 2002). Empirical evidences kept showing that red tape negatively predicts job satisfaction, job involvement, and organizational commitment (DeHart-Davis & Pandey, 2005; Pandey & Kingsley, 2000).
Due to administrative oversight and legislative control, formalization and red tape are more prevalent in the public sector than in the business sector. The merit protection system, which reduces a public manager’s flexibility in motivating subordinates by using external incentives and punishments, is one of the most notorious formalization types in the public sector. The power for public managers in controlling personnel issues is immensely compromised because regulations on recruiting, layoff, and promotion are so complicated and time consuming that few people would be willing to adopt these measures (Baldwin, 1987; Boyne, 2002; Coursey & Rainey, 1990). A lack of precise indicators for performance measurement also increases the difficulty in manipulating these personnel tools. The sense of powerlessness, a result of limited power in personnel issues, may increase work alienation for public sector managers and bring detrimental effects on work motivational attitudes.

Goal ambiguity also contributes to the increase of over-emphasized formalization and red tape. Public managers often fail to review clear and precise performance indicators and will strive to control subordinates with more explicit rules (Rainey, Pandey, & Bozeman, 1995). A variety of empirical research also addresses that red tape is strongly correlated with goal ambiguity and role ambiguity (Chun & Rainey, 2004; Pandey & Rainey, 2006; Pandey & Wright, 2006), which underpins this proposition.

Concisely, elaborated rules or red tape is a typical pathology in the government, and the origin of this problem is the public sector’s restricted political and legal power. Of course, merciless side effects of a weak economic power such as goal ambiguity and a poor performance measurement system also exacerbate formalization and red tape. Considering the impacts of red tape on work motivational attitudes, one may reach an inference that work motivational attitudes tend to be more negative for public sector workers.
The consequence of a limited political-legal power (2): centralization, lack of top-down trust, their connection to red tape, and impacts on work motivational attitudes

When managers work under the disturbance of political interference, personnel rules, and administrative regulations, they feel the loss of influence on their organizations. In this situation, they feel reluctant to delegate and begin to entrench themselves in power with more formal control and red tape. Accordingly, one may witness the occurrence of strong centralization. Centralization, which refers to the degree to which power is distributed and concentrated in organizations, is often accompanied by formalization (Hage & Aiken, 1967). Scholars usually use two factors – employees’ involvement in decision making and hierarchy of authority – to measure the extent of centralization (Aiken & Hage, 1966; Hage & Aiken, 1967). Proponents of the Reinventing Government and New Public Management are especially fond of decentralization because enhanced autonomy and positive work motivational attitudes are often accompanied by participation in decision making and release of authority (Acorn, Ratner, & Crawford, 1997; Balfour & Wechsler, 1996; Driscoll, 1978; Ruh, White, & Wood, 1975). In short, reinforced by formalized rules and red tape, centralization deteriorates work motivational attitudes in an organization, and it is more common in the public sector than in other types of organizations.

A centralized organizational structure is tightly attached to weak empowerment and an eroded employer-employee trust culture. The culture of employer-employee trust is two-folds. The relationship in the first case is bottom-up (employees trust their top management), and it relies on top management’s willingness to be responsible for many duties. Consequences of this trust relationship frequently exhibit in increased job satisfaction and organizational commitment (Dirks & Ferrin, 2001). The top-down trust relationship (top management trusts employees),
which is the main focus of this study, has different precedents of trust. Generally, an employee’s perception of self-efficacy and sense of autonomy reflect the degree that they are trusted by their top management. A centralized power and a desire for internal control (Bozeman & Rainey, 1998) resulting from goal ambiguity, red tape, and political interference in the public sector jeopardize empowerment (Osborne & Gaebler, 1992) and a top-down trust culture, which in turn result in negative work motivational attitudes among public sector workers.

The consequence of a limited political-legal power (3): organizational risk aversion, its connection to other related economic and political factors, and its impacts on work motivational attitudes

Organizational risk aversion is a reflection of a compromised political power, formalized rules, administrative oversight, goal ambiguity, and the lack of empowerment. The argument of Bozeman & Kingsley (1998), which states that administrative reform proposals that encourage managers to deregulate, provide incentives, and delegate authority may expose managers to risk taking, provides some evidences for this perspective. Indeed, the success of empowerment relies on a culture of trust and an organization’s willingness to endure occasional mistakes and some variation in outcomes (Feldman, Skoldberg, Brown, & Horner, 2004). More precisely, tolerance for risk-taking serves as the prerequisite of an empowerment strategy (Cunningham, Hyman, & Baldry, 1996; Herrenkohl, Judson, & Heffner, 1999; Honold, 1997). The number of formalized rules will decline when empowerment is successful. Goal ambiguity, however, increases the feeling of insecurity and reduces the likelihood of top-down trust and empowerment. In sum, organizational risk aversion is a result of an organization’s political intervention and overhead supervision. Most importantly, it is not independent from a top-down trust culture, and its magnitude is related to goal ambiguity and formalization.
In addition to the political power, one may attribute organizational risk aversion to self-selection too. In one study by Bellante & Link (1981), public managers tended to show a high level risk-averse personality. So it is believed that risk-averse people prefer choosing the public sector for their career life inasmuch as the merit protection system and life-long employment enhance their job security. Finally, the view of economic power contributes to one’s understanding of organizational risk aversion as well. Based on the residual claimant theory (Alchian & Demsetz, 1972, 1973), market mechanisms can monitor whether individuals are “shirking.” When an organization makes no profit or has no competitors in a market, the monitor without a claim on the residual/profit is likely to put in suboptimal monitoring effort (Rowthorn & Chang, 1993). Therefore, governmental managers are more likely to be risk-averse.

In all, interpersonal trust increases the likelihood of risk taking in a cooperative relationship (Mayer, Davis, & Schoorman, 1995), and organizational risk taking reflects a revitalized and fear-free culture in which people are urged to seek new ways to improve their work (Berman, 1999). In contrast, organizational risk aversion is characterized by an implication of fear, an indication of lacking trust and empowerment, and perhaps a result of political interference and red tape. They all bring detrimental effects to work motivational attitudes.

**Summary: a distinctive economic, political, and legal environment in the public sector**

Does sector determine work motivational attitudes? Based on the literature reviewed in this section, the answer is positive. An economic environment in which making profit is not a primary concern, a legal environment in which intensive formal constraints are imposed by the legislative branch, a political environment in which conflicting demands are often incurred, and interrelated consequences such as self-selection, goal ambiguity and task ambiguity, formalized
rules, red tape, compromised top-down trust, and organizational risk aversion make the public sector a unique form of organization in which work motivational attitudes are more negative.\(^4\)

The most critical contribution of this section includes the following three points. First, we know that “sector matters” in terms of work motivational attitudes. Second, we know that economic, political, legal conditions determine whether an organization is distinctive as compared to other organizational types. Finally, we also know what environmental features belonging to respective sectors may influence work motivational attitudes. Admittedly, most of my literature entirely comes from generic management and public-private comparison, so the argument of “public sector distinctiveness” may not be readily generalized by public-nonprofit comparison. However, we should be able to apply adequate analytical dimensions derived from the literature review to my public-nonprofit comparative research in Chapter 3.

2.2 Individual Needs and Work Motivational Attitudes

Another important research question in this study is public-nonprofit sector moderation. As I addressed in section 2.0, more comprehensive knowledge of individual needs is necessary for studies of sector moderation. From the perspective of micro OB, motivation derives from individual needs. The theory of needs holds that individuals are exposed to different intrinsic and extrinsic needs such as food, safety, affiliation, self-esteem, etc. In order to appease the tension created by needs and maintain a sense of equilibrium, individuals are induced to take

\(^4\) I encourage readers to use caution in interpreting these research findings. Countervailing findings concerning contextual features in the public sector may call for one’s attention. For example, in addition to public-private ownership, factors such as size, task, and technology all determine the level of centralization and formalization (Rainey, 2003). In one study, the formalization was positively related to organizational commitment because formalization increased goal clarity (Michaels, et al., 1988). It may not be too surprising that sometimes public sector workers are more satisfied with their job than are their business peers (Steel & Warner, 1990) and sometimes organizational commitment is about identical in public and private organizations (Balfour & Wechsler, 1990; Steinhaus & Perry, 1996).
actions to satisfy these needs (Hellreigel, Slocum, & Woodman, 1986). The actions taken to satisfy needs are the source for motivation. However, the meso metaphor reminds us that micro/individual and macro/environmental level factors often generate interactive effects on an organizational phenomenon. How can interactive effects be observed?

Sector moderation could be one of the many types of variable interaction. Regarding work motivational attitudes, sector distinction moderates one’s needs and their impacts on work motivational attitudes. Although some studies aim at personalities (Bozionelos, 2004; Judge, Heller, & Mount, 2002), a broader scope that covers various types of needs, they often fail to incorporate the effect of sector moderation because personalities tend to be a constant component regardless of the environmental change. In this section, consequently, I will review literature with respect to (1) the typologies of individual needs, (2) the relationships between needs and work motivational attitudes, and (3) whether satisfaction of needs change the relationships between needs and work motivational attitudes.

**Extrinsic vs. intrinsic: a basic dichotomy**

The most famous research concerning the typology of individual needs was proposed by Maslow (1954) and Herzberg (1966). In Maslow’s needs hierarchy, higher level needs embrace self-esteem needs and self-actualization needs. Higher level needs are counterparts of Herzberg’s motivators, which include achievement, recognition, the work itself, responsibility, growth, and advancement. The other type of factors of Herzberg’s Two-Factor theory is called hygiene factors, which are comprised of supervision, working conditions, salary, relations with people, personal life, status, and security. Hygiene factors are similar to Maslow’s lower level needs such as social needs, safety needs, and physiological needs. Contemporary studies have employed the basic dichotomy of hygiene-motivator and high-low levels of needs for motivation
studies on the micro level. In order to avoid confusion, in the following paragraphs motivators and higher order needs are relabeled “intrinsic needs”; hygiene factors and lower order needs are relabeled “extrinsic needs.”

The relationships between intrinsic/extrinsic needs and work motivational attitudes

Exploring the strength of intrinsic needs is especially welcome among classic motivation studies. The tradition in emphasizing intrinsic over extrinsic needs stems from the view that intrinsic motivation prevails over extrinsic reward in predicting higher work motivation or more positive work motivational attitudes (Herzberg, 1966). The most commonly adopted item is the strength of a need for growth (Blau, 1987; Hackman & Oldham, 1975; Rabinowitz, Hall, & Goodale, 1977). Scholars almost unanimously agree that strong intrinsic needs are critical antecedents of positive motivational attitudes (Cook & Wall, 1980; Hackman & Lawler, 1971; Warr, Cook, & Wall, 1979), if they do not consider the moderation effect of need satisfaction.

The Attribution Theory (Weiner, 1986), a psychological theory developed in the 1980s, more firmly entrenches the perspective that intrinsically motivated people are likely to exhibit positive attitudes in their work. In addition to providing references for this old proposition, this theory also sheds light on how extrinsic needs may influence work motivational attitudes.

First of all, the Attribution Theory is constructed on affective status and motivation of individuals. Dispositional affectivity has long intrigued psychologists engaged in the study of attribution. High trait-positive affect (PA) individuals often report being joyful, exhilarated, and enthusiastic, whereas trait-negative affect (NA) people are often predisposed to experience more negative emotions such as being afraid, anxious, and angry. According to Gardner, Rozell, & Walumbwa (2004), work motivational attitudes such as job satisfaction and organizational commitment are deemed a function of how one affectively responds to work environments, and

5 The term “affect” in psychology refers to the experience of feeling or emotion.
are consequently influenced by one’s affective disposition. They found that PA and NA correlate negatively and one’s explanatory style tightly connects to dispositional affectivity. PA individuals tend to have an optimistic explanatory style and feel satisfied with their job. In contrast, NA individuals are more likely to have a pessimistic explanatory style and report low scores on job satisfaction. Some empirical studies linked affective status to intrinsic and extrinsic motivation. Based on Isen (2000), intrinsic motivation is bolstered by PA, but extrinsic motivators such as money and benefits appear to generate greater influences on people in the NA condition. One may infer that NA individuals have stronger extrinsic needs.

Considering dispositional affectivity, explanatory style, intrinsic and extrinsic needs, and work motivational attitudes simultaneously, one may anticipate that people who are more intrinsically motivated have stronger positive affect, more optimistic attribution concerning their working condition, and thus witness a more work-friendly environment. By contrast, extrinsically motivated people tend to have external locus of causality (Ryan & Deci, 2000a, 2000b), which is associated with NA and pessimistic attribution (Weiner, 1986). Empirical evidences also espouse these propositions. Scott & Pandey (2005) found that public managers who have high public-service motivation (PSM) perceive lower level red tape. Red tape, discussed in section 2.1, is detrimental to work motivational attitudes. Crewson (1997) also found that service-orientated people are more likely to be committed to their organizations than those who have stronger economic concerns. However, studies conducted to discover the relationship between extrinsic needs and work motivational attitudes are lacking, maybe due to a long tradition that overemphasizes intrinsic motivation.

In sum, we are informed from the Attribution Theory that intrinsically motivated people have stronger potential to be more optimistic in their work and demonstrate positive work
motivational attitudes, whereas extrinsically motivated people tend to be more pessimistic and show negative work motivational attitudes. Indeed, the Attribution Theory clearly explains possible need-attitude causalities when one assumes that an organizational system is closed, but the metaphor of an open system requires us to consider the influence from a macro environment.

For example, both A and B have a strong desire for money, so they are less likely to show optimistic attitudes in their work, according to the Attribution Theory. If the company that the A belongs to can afford paying more money to its employees, will A be more likely than B to show positive work motivational attitudes? That is, will the likelihood of need satisfaction change the relationships between needs and work motivational attitude? A more profound understanding of need satisfaction is necessary for resolving this question.

**Satisfaction of needs: a moderator for the impacts of needs on work motivational attitudes**

Previous motivation studies with regard to satisfaction of needs focused on (1) the impact of extrinsic need satisfaction on work motivational attitudes, (2) the impact of intrinsic need dissatisfaction on work motivational attitudes, and (3) the comparison of impacts on work motivational attitudes between extrinsic need satisfaction and intrinsic need satisfaction. One may fail to find any study related to intrinsic need satisfaction or extrinsic need dissatisfaction because the answers in the case of these two types of studies are predictable: the first one positively predicts work motivational attitudes whereas the second one negatively predicts work motivational attitudes.

Empirical evidences first suggest that the negative relationship between needs and job involvement is not statistically significant given that extrinsic needs are satisfied (Weissenberg & Gruenfeld, 1968). Second, in one study by Cook & Wall (1980), the positive impact of intrinsic needs on organizational commitment, loyalty, and involvement can become negative since
intrinsic needs are not fulfilled. These two studies imply that satisfaction of both intrinsic and extrinsic needs may change the original predictabilities of need-attitude relationships.

As to comparing the impacts of extrinsic need satisfaction and intrinsic need satisfaction on work motivational attitudes, scholars seemed to reach discrepant conclusions. One study by Weissenberg & Gruenfeld (1968) found that both intrinsic need satisfaction and extrinsic need satisfaction are positively related to one’s overall job satisfaction, but the impact of intrinsic need satisfaction is stronger. One study by Warr, et al.(1979) reached a different result: the impact of extrinsic need satisfaction is slightly stronger than the impact of intrinsic need satisfaction in predicting work involvement and overall job satisfaction. Most interestingly, Kanungo (1982) found that extrinsically motivated managers are even more likely to perceive overall job satisfaction and job involvement than intrinsically motivated managers, provided salient extrinsic needs are satisfied. Contradictory findings notwithstanding, at least we have been informed that satisfaction of needs moderates the impacts of needs on work motivational attitudes, regardless of the types of needs.

Classical studies regarding needs and need satisfaction share a common drawback: oversimplification of need categories. In these studies, intrinsic and extrinsic needs were deemed hierarchical, dichotomous, and mutually exclusive. In the real world, nonetheless, a person may place high values on both extrinsic needs (e.g. money) and intrinsic needs (e.g. personal growth). In addition, the extrinsic-intrinsic dichotomy neglects the possibility that different types of extrinsic needs such as a need for money, job security, safety, and promotion may have different implications on work motivational attitudes. A framework which more clearly differentiates need types is required for motivation studies.
The Self-Determination Theory: a more deliberate typology of motivation styles

In recent years, researchers have started to make some efforts in distinguishing diverse types of needs and to frame a structure of need-motivation relationships. Among others, the Self-Determination Theory (SDT) (Deci & Ryan, 1985; Ryan & Deci, 2000a, 2000b) is the most well-known.

![Figure 1 The Self-Determination Theory](image)

Source: Ryan & Deci (2000a, 2000b)

The SDT accentuates the following points. First, it assumes that both extrinsically and intrinsically motivated people have the potential to be motivated, but via different regulatory processes. Second, it calls for a more detailed and complete typology of extrinsic needs. With respect to intrinsic motivation, the SDT contends that not everyone is intrinsically motivated for any particular task. It implies that each type of intrinsic need should be analyzed separately.
The SDT further specifies that both a feeling of competence during action and an internal perceived locus of causality (i.e. a sense of autonomy) will enhance intrinsic motivation. In other words, if excessive environmental control restricts one’s autonomy, one’s work motivation will be thwarted and a positive need-motivation or need-attitude relationship can no longer exist.

The most distinctive feature of the SDT is its analysis of extrinsic motivation. Unlike traditional motivation theories which assume that extrinsically motivated people are “invariantly non-autonomous,” work motivation for those who have strong extrinsic needs can vary in accordance with their external regulatory styles and processes. For example, students who study for their future career (i.e. an internally regulated need, or say, conscious valuing) may be more self-motivated and less likely to complain than those who study to comply with their parents wishes (i.e. an externally regulated need, or say, punishment). Similarly, people choose to work in the public sector for different reasons. While some care more about attractive fringe benefits and pension plans, some feel dissatisfied with promotion in their previous job and come to seek for a better opportunity. The latter one, presumably, has a more internal locus of control (i.e. believe that they are active causal agents) and behave like intrinsically motivated people.

In sum, the most conspicuous contribution of the SDT is its integration of extrinsic and intrinsic motivation with a spectrum in which regulatory styles such as intrinsic motivation, extrinsic motivation, and amotivation are displayed respectively in correspondence with perceived locus of causality from internal to impersonal. Linking the typology of needs in the SDT to work motivational attitudes, one may be informed that both intrinsically and extrinsically motivated people may exhibit positive work motivational attitudes, given that their locus of causality is toward the internal side. From another perspective, some extrinsically motivated
people or amotivated people who have low level of locus of causality may frequently show negative work motivational attitudes.

No model is perfect, nor is the SDT. The incompatibility of different motivation types does not truly reflect a phenomenon that, in the real world, whereby a person may simultaneously have a strong desire for job security and personal growth (Covington & Mueller, 2001). Existing shortcomings notwithstanding, the SDT is so far the most deliberate model concerning the taxonomy of needs. I will employ the SDT to be my basic structure of analysis about need-attitude relationships. Because the SDT was developed in a general management context, it does not consider unique implications of needs and satisfaction of needs across different sectors. In the next section, I will make up this flaw by linking need satisfaction to sector distinction.

**Summary**

I reviewed a variety of theories and empirical studies in this chapter. One may be first informed that a basic typology of needs is extrinsic-intrinsic dichotomy. The Attribution Theory hints that intrinsically motivated workers, as compared to extrinsically motivated workers, tend to be more enthusiastic and be more willing to treat difficulties as challenges rather than discouragement. It is also believed that one’s extrinsic needs may lead one to report negative work motivational attitudes, whereas intrinsic needs are critical determinants of positive work motivational attitudes. However, satisfaction of both intrinsic and extrinsic needs may change the influences of needs on work motivational attitudes.

In addition, the intrinsic-extrinsic dichotomy oversimplifies need categories and may bias the inference of need-attitude relationships. The Self-Determination Theory reminds us to analyze each individual need separately because attributes of needs are so diverse that a simple
dichotomy is not enough to precisely interpret all need-attitude relationships. While some extrinsically motivated people are indeed incurably pessimistic given that their locus of control is on the low level, some extrinsically motivated people who believe that they are an active causal agent may simply behave like an intrinsically motivated people, and they are more than likely to report positive work motivational attitudes.

The SDT is a model designed for generic management, so one must incorporate sector distinction if the SDT is to be applied to studies of cross-sector comparison. As I addressed, the SDT will be employed to be the basic structure of analysis in this dissertation. Therefore, before it can be formally applied to the analyses about the relationships between satisfaction of needs and work motivational attitudes in a cross-sector context, one is required to be equipped with enough knowledge about how sector distinction and need satisfaction intersect, which is the focus of the next section.

2.3 The Intersection of Need Satisfaction and Sector Distinction

In recent years, researchers have started to notice that the function of social and environmental factors is the primary source for human motivation, whereas the importance of intra-individual needs is merely a tip of the iceberg (Buunk & Nauta, 2000). While work motivational attitudes may still be the result of individual needs, external conditions may determine the likelihood of need satisfaction and thus in turn moderate the relationships between needs and work motivational attitudes.

The main purpose of this section is to review the literature about whether external conditions may differ across the sectors and thus determine need satisfaction. Studies concerning sector moderation effect must root in the following assumptions: First, objective
conditions in an environment are tangible, conceivable, and visible. Second, needs in one’s value system are inherent. Modifying values can be difficult because the change process requires massive reorganization of the rest of one’s belief system (Posner & Schmidt, 1982, p. 36). These two assumptions also lead to the occurrence of self-selection.

**Self-selection: providing rationales for why (1) need priority differs across the sectors, (2) dissatisfaction of needs occurs, and (3) “need” instead of “person” is a more preferable unit of analysis in motivation studies**

Concerning extrinsic needs, as a result of the merit protection system, people who place a high value on job security may prefer staying in government rather than business agencies. Meanwhile, a more disadvantageous condition for promotion and monetary reward in the public sector also drives away many extrinsically motivated people. Empirical findings have repeatedly addressed this unique scenario: public sector workers are more likely than private sector workers to place a lower value on high income (Frank & Lewis, 2004; Houston, 2000; Jurkiewicz, Massey, & Brown, 1998; Karl & Sutton, 1998; Khojasteh, 1993; Kilpatrick, Cummings, & Jennings, 1964; Rainey, 1983) and advancement opportunity (Crewson, 1997; Frank & Lewis, 2004; Jurkiewicz, et al., 1998; Khojasteh, 1993) but a higher value on job security (Houston, 2000; Jurkiewicz, et al., 1998; Kilpatrick, et al., 1964). Although some studies found that public and private sector workers show little difference on salary (Crewson, 1997; Gabris & Simo, 1995), promotion (Gabris & Simo, 1995; Houston, 2000; Karl & Sutton, 1998), and job security (Frank & Lewis, 2004; Gabris & Simo, 1995; Karl & Sutton, 1998), Rainey (2003) argued that sample size and level of employees surveyed might be reasons for variations.

As to intrinsic needs, studies also found that public managers are more likely than private managers to highly value intrinsic needs such as challenging and meaningful work (Frank &
Lewis, 2004; Gabris & Simo, 1995; Houston, 2000; Jurkiewicz, et al., 1998; Karl & Sutton, 1998; Lyons, Duxbury, & Higgins, 2006) and their usefulness to the society and community (Cacioppe & Mock, 1984; Crewson, 1997; Frank & Lewis, 2004; Kilpatrick, et al., 1964; Lyons, et al., 2006; Perry & Wise, 1990; Posner & Schmidt, 1996). The self-selection effect may help explain this finding as well – public agencies are more likely than private agencies to provide opportunities for employees to pursue the public interests and serve the community, and people who choose to work in the public sector are more committed to these altruistic behaviors. However, the priority of doing public service is always lower than extrinsic needs such as salary, advancement, and job security regardless of sector affiliation, thereby reflecting the self-interest nature of human beings.

Two points merit one’s attention. First, self-selection explains why the priority of needs differs across the sectors. In the sense that people have multiple needs, self-selection may imply a tradeoff between needs and the sacrifice of second-order needs, given that objective conditions cannot evenly satisfy each individual need. For example, those who have a strong desire for both promotion and job security may choose to work in the public sector, but meanwhile, feel dissatisfied with the current condition of promotion. In short, self-selection between sectors may result in dissatisfaction of second-order needs as well. I will proceed with a more detailed discussion of dissatisfaction of needs in the following subsections.

Second, one should be aware that “person” is not an appropriate unit of analysis. No one is absolutely extrinsically motivated or intrinsically motivated. It is common for a public sector worker to have the following needs simultaneously: a need for public service, a need for job security, a need for high salary, although the need for public service is stronger than the need for job security, and then the need for salary. A private sector worker may have the same needs as
well, but the order is reverse. In some cases, a private sector worker may even be more intrinsically motivated than extrinsically motivated. That is, setting “person” as the unit of analysis for studies regarding the impacts of needs on work motivational attitudes could be mistaken because we must not assume that people are merely concerned about their first-order needs but not second-order needs.

In sum, the first implication drawn from the self-selection literature is that one’s needs could be multi-dimensional, no matter in the public or private sector. For example, a government manager can pursue public interests and maintain a stable/secure life. Since extrinsic and intrinsic needs often overlap and dwell in a person’s motivation system, using “need” as the unit of analysis can most truly reflect the nature of people’s complex need priorities, avoid an oversimplified intrinsic-extrinsic dichotomy, and deduce more precise inquiries and propositions for motivation studies with respect to needs and work motivational attitudes. The second implication is concerned with need dissatisfaction. Quite possibly, people choose to work in an environment in which the likelihood of need satisfaction is more favorable for their first-order need than the second-order need. This also leads to different scenarios of need dissatisfaction across the sectors. Please refer to the following subsections for more relevant literature review.

**A deeper discussion about satisfaction of extrinsic needs – salary, promotion, and job security – across the sectors**

A handful of empirical studies provided some self-reported statistics related to need satisfaction, which may somehow endorse my perspective that self-selection leads to dissatisfaction of second-order needs. I start from the discussion of extrinsic needs. Khojasteh (1993) indicated that public sector workers are especially dissatisfied with their promotion
Jurkiewicz et al. (1998) found that public sector employees tend to report a huge gap in advancement between what they “want” (5/15) and what they really “get” (11/15). The gap of salary is as huge as that of advancement, which is “want” (4/15) vs. “get” (14/15). Frank & Lewis (2004) reached a similar conclusion. They conducted their study by using the General Social Survey data from 1989 to 1998, which includes research questions on the 1-4 ordinal scale. For government employees, the perceived current condition on high income (mean score = 1.62) is significantly lower than the desired feature (mean score = 2.86). The perceived current condition on advancement opportunity (mean score = 1.67) is also a conspicuous contrast to their desired feature (mean score = 3.15). The scenario in the private sector is different. Khojasteh (1993) found that business managers are particularly dissatisfied with their job security (1/12). Jurkiewicz et al. (1998) found a middle-huge gap between business sector employees’ current perceived job security (9/15) and their desirable job security (4/15). Frank & Lewis (2004), similarly, obtained a finding that the current feature of job security (mean score = 2.80) is lower the desired feature (mean score = 3.46).

The review of the literature so far helps us grasp a general idea about how the contexts in public and private organizations determine satisfaction and dissatisfaction of extrinsic needs among workers via self-selection. Those who regard job security as their first-order value may choose to work in the public sector, but meanwhile, feel more dissatisfied with their needs for salary and promotion. Those who deem salary and promotion the paramount values may self-select to work in the business sector, but meanwhile, sacrifice the satisfaction of job security.

Some may refute the proposition that sector distinction hinges on satisfaction of extrinsic needs by providing the following opposite evidences about private sector workers. According to Khojasteh (1993), they still tend to exhibit a high extent of dissatisfaction of pay (2/12) and

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6 The (3/12) refers to the ranking of need orders.
advancement (3/12). The “want-get” gap provided by Jurkiewicz et al. (1998) shows that the salary gap (1/15 vs. 10/15) and advancement gap (3/15 vs. 11/15) are astoundingly huge. Findings in Frank & Lewis’s (2004) study also inform us that perceived current income (mean score = 1.81) and advancement opportunities (mean score = 2.02) are far behind their desirable income (mean score = 3.02) and advancement (mean score = 3.29) among private sector workers. 

Admittedly, dissatisfaction of salary and promotion are prevalent in the private sector as well. Considering the following reasons, however, I still argue that sector distinction matters in determining the likelihood of extrinsic need satisfaction. First, private sector participants in the study by Frank & Lewis (2004) reported higher scores on current pay and promotion than public sector participants did, an indication of higher likelihood of need satisfaction for promotion and pay. However, the “relatively satisfactory” condition that they perceive may not be satisfactory enough to counterbalance their ambition in pursuing pay and advancement.

Another reasonable explanation comes from theory. Proceeding from an Expectancy Theory framework (Vroom, 1964), researchers have argued that individuals are involved in activities which may bring valued outcomes, and the outcomes should be valuable enough to satisfy their needs. For needs to be satisfied, individuals will make efforts and try to accomplish their goals (Salancik & Pfeffer, 1977). People in both public and private agencies work in an environment where they are allowed to set up goals based on their desires for pay and advancement, although the public sector has less potential in providing external rewards. In addition, the public sector’s pay increase, benefit expansion, and promotion often come with merit instead of performance or diligence. Private sector workers may also strive to procure their job security because job security and fringe benefits are often accompanied by a higher rank in an organization’s hierarchy. While an open-ended reward opportunity brings more hopes,
limited positions on every upper level of an organization’s hierarchy are likely to generate a gap between expectation and need fulfillment for the majority of workers.

Finally, evidences about satisfaction of job security in the public sector also prove that sector distinction is a critical determinant for need satisfaction. While those who deem job security the first priority tend to enter the government, they do not show high dissatisfaction with their received job security after self-selection. The study by Khojasteh (1993) indicated that public sector managers are moderately dissatisfied with their job security (7/12). Jurkiewicz et al. (1998) found that job security is the paramount value for public sector employees (1/15), and their perceived current status is slightly lower (4/15) than what they want. In Frank & Lewis’s (2004) study, the desired job security (mean score = 3.48) is higher than perceived job security (mean score = 3.07) among public sector participants, but the contrast is not as huge as that reported by private sector participants.

We are informed from these findings that the satisfaction of job security is a result of sector distinction and self-selection. In general, job security in the public sector is fixed regardless of ranks and positions, so the dead-end nature appeases one’s desire for more job security in the public sector. In addition, the Social Comparison Theory (Festinger, 1954) also hints that public sector workers may evaluate their current job security by looking at external images (i.e. the business sector) and accordingly feel more satisfied with their current conditions. It also reflects Salancik & Pfeffer’s (1977) point of view – people have the capacity to provide their own satisfaction by cognitively reconstructing situations.

**The discussion about satisfaction of intrinsic needs across the sectors**

Self-selection sometimes pertains to intrinsic needs and their need satisfaction. For example, those motivated by altruistic behaviors may prefer joining public organizations, and
they frequently show high satisfaction with their public service opportunity (Frank & Lewis, 2004; Jurkiewicz, et al., 1998; Khojasteh, 1993). In some cases, intrinsic need satisfaction has little connection to self-selection but to external contexts. A stark example is perception of received responsibility among public sector employees. The priority of a need for responsibility is usually far behind first-order and second-order needs such as salary, promotion, and job security in a need ranking list. However, empirical studies (Gabris & Simo, 1995; Khojasteh, 1993) found that government workers seem to be particularly unsatisfied with their obtained responsibility.

Here follows my inference. When intrinsic needs are related to self-selection (e.g. doing public service), workers tend to pervasively give affirmative/satisfactory responses because the regulatory style is internal and need fulfillment is embedded. In contrast, when intrinsic needs are apart from self-selection (e.g. having more responsibility), need satisfaction is mainly subject to external chances/impediments. In the public sector, the dissatisfaction with responsibility is a result of environmental constraints and compromised autonomy.

**Summary: sector distinction determines the likelihood of need satisfaction**

The literature reviewed in this section is illuminating for one’s knowledge about whether sector distinction determines need satisfaction. First, we know that multiple needs dwell in a person, so a preferable unit of analysis for motivation studies is “need” instead of “person.” Based on this, we may reach an inference that sector distinction, needs, and need satisfaction are not independent due to the occurrence of self-selection. For example, those who place a high value on job security tend to prefer working in the public sector, whereas those who consider salary and promotion to be the dominant values are prone to select the private sector for their life-long career. Self-selection across the sectors may be synonymous with a high likelihood of
one’s first-order need satisfaction and one’s second-order need dissatisfaction. One’s first-order and second-order needs, very possibly, are extrinsic needs.

Sector distinction determines the likelihood of intrinsic need satisfaction as well, although intrinsic needs are not as critical as extrinsic needs in predicting self-selection across the sectors. When intrinsic needs are related to self-selection, high need satisfaction is a frequent consequence because the regulatory style is internal and need fulfillment is embedded. When intrinsic needs are independent from self-selection, external conditions such as the public sector’s overwhelming formalization and compromised empowerment may also decrease the likelihood of need satisfaction by restricting one’s autonomy.

In short, sector distinction determines the likelihood of need satisfaction for both intrinsic and extrinsic needs. Public agencies are potentially disadvantageous in providing high salary, advancement opportunity, and responsibility as compared to their private peers. Business organizations, in contrast, are less willing to offer employees job security and chances for public service. Although the discussion in this chapter is confined in the scope of public-private comparison, at least we have been informed that sector distinction matters in determining need satisfaction. With this pertinent knowledge, one will be able to more accurately navigate directions for research concerning how sector moderates the impacts of needs on work motivational attitudes via the function of need satisfaction.

2.4 A Flash Look at this Chapter

Section 2.1 stated that an economic environment where profit-making is lacking, a political environment where multiple actors impose conflicting demands, and a legal environment where legal constraints are intensive, and consequences such as self-selection, goal
and task ambiguity, formalized rules, red tape, the lack of top-down trust, and organizational risk aversion do not distribute evenly across the sectors. In the sense that all these factors are crucial antecedents for work motivational attitudes, it is possible that work motivational attitudes differ across the sectors.

Section 2.2 introduced determinants on the micro level: individual needs. Generally speaking, intrinsically motivated people tend to exhibit positive work motivational attitudes, whereas extrinsically motivated people tend to report negative scores. We also learned from the SDT that some extrinsically motivated people may show positive attitudes in their work provided their extrinsic needs are internally regulated. However, the relationships between needs and work motivational attitudes are often moderated by need satisfaction.

In order to more clearly delineate need-attitude relationships, I reviewed literature concerning need satisfaction in Section 2.3. I found that sector distinction frequently determines the satisfaction of both extrinsic and intrinsic needs via self-selection. Although sometimes self-selection is independent from intrinsic need satisfaction, such as satisfaction of a need for responsibility in governmental organizations, the public sector’s legal constraint as an important feature of sector distinction still plays a decisive role in determining need satisfaction.

After reviewing the literature in this chapter, I reach an inference that sector distinction moderates the relationships between work motivational attitudes and the impacts of needs via the function of need satisfaction. However, motivation studies so far have not successfully integrated (1) sector distinction and (2) need-attitude relationships in one model. In addition, the discussion of sector moderation has not extended to the nonprofit sector, the focus of this study. This “missing piece” calls for a new research design which explores public-nonprofit moderation
between the impacts of needs and work motivational attitudes. This new direction will be fully introduced in the next chapter.

Table 1  Findings from the Literature Review

<table>
<thead>
<tr>
<th>Major findings</th>
<th>Secondary findings</th>
</tr>
</thead>
</table>
| A Macro View: Sector Distinction and Work Motivational Attitudes | • Self-selection: The government’s merit system and life-long employment attract indolent people to work there.  
• Goal and task clarity: Goals and tasks are ambiguous in the public sector due to conflicting demands and the difficulty in measuring performance.  
• Formalization and red tape: Legislative control, merit system, and goal ambiguity lead to over-emphasized formalized rules and red tape.  
• Top-down trust: The power of public managers is limited by rules and political control, so they feel reluctant to delegate and do not trust their subordinates.  
• Organizational risk aversion: All the features indicated earlier can result in overall organizational risk aversion. |
| Work motivational attitudes reported by workers are unique, or more negative, in the public sector.  
An economic environment where profit-making is lacking, a political environment where external interference is pervasive, and a legal environment where legal mandates limit the manager power may cause self-selection, goal ambiguity, red tape, a lack of top-down trust, and risk aversion in the public sector. These features are critical antecedents for compromised work motivational attitudes. | |

A Micro View: Individual Needs and Work Motivational Attitudes

Generally speaking, intrinsically motivated people are more likely to show positive work motivational attitudes, whereas extrinsically motivated people are less likely to do so.  
The positive or negative relationships between the impacts of needs and work motivational attitudes are subject to the moderation of need satisfaction.  
• The Attribution Theory holds that extrinsic needs and intrinsic needs are associated with different “affects,” so people who are motivated by different types of needs tend to exhibit different work motivational attitudes.  
• The Self-Determination Theory claims that some extrinsically motivated people with internally regulated needs may exhibit positive work motivational attitudes as well.
The relationships between the impacts of needs and work motivational attitudes are frequently moderated by need satisfaction. That is, intrinsically motivated people may not exhibit positive work motivational attitudes if their intrinsic needs are not satisfied. Extrinsicly motivated people may not exhibit negative work motivational attitudes if their extrinsic needs are satisfied.

A Meso View: The Intersection of Sector Distinction and Need Satisfaction

Sector distinction is not independent from need satisfaction. Satisfaction and dissatisfaction of needs are frequently a reflection of self-selection across the sectors. Sometimes sector distinction determines need satisfaction when self-selection is absent.

- A proper unit of analysis in motivation studies should be “need” instead of “person.”
- One’s first-order extrinsic needs often determine the result of self-selection. The evidence is that public sector workers highly value job security, whereas business sector workers tend to care more about their salary and promotion.
- Self-selection implies a high likelihood for first-order extrinsic need satisfaction.
- Self-selection also implies the sacrifice of second-order extrinsic needs, which leads to need dissatisfaction.
- Sector distinction determines intrinsic need satisfaction when intrinsic needs are sources for self-selection.
- Sector distinction determines intrinsic need satisfaction via some specific political and legal constraints when intrinsic needs are independent from self-selection.

Source: Author
CHAPTER THREE – NEW ORIENTATIONS AND HYPOTHESES

3.0 Layout of this Chapter

We know from the literature that work motivational attitudes are the synthesis of individual needs and sector shaping. There are still some virgin lands that classic studies have not explored: public-nonprofit comparison, sector moderation, and sector switching. Sections in this chapter will be oriented to these new directions.

Section 3.1 covers necessary materials about public-nonprofit comparison on the sectoral level. Content of public-private comparison in section 2.1 sheds light on our basic understanding of the public sector and lays a solid foundation for sector-related studies. In developing nonprofit theories, some emphasize similarities between private and nonprofit agencies serving similar market needs, and some emphasize similarities between public and nonprofit agencies meeting a similar public goal (Corder, 2001). A public-nonprofit comparison on dimensions such as goal ambiguity, legal constraints, red tape, a trust culture, and a risk-taking culture leads one to contemplate whether generic management theories or PM theories are more applicable in the nonprofit sector. This comparison also helps draw a clearer border for PM theories.

Section 3.2 includes “time” into analysis. We have been informed from section 2.1 and 3.1 that sectoral features determine work motivational attitudes via one’s perceptions of organizational structures, organizational cultures, reward possibilities, and organizational goals. However, we must not assume that perceptions can always be as steady as one’s inherent value system (Posner & Schmidt, 1982), although it is undeniable that values/needs and perceptions are not
independent at all. I argue that time and experience may change one’s criteria in evaluating an objective phenomenon.

For example, freedom is the paramount value for two communists. One of them fled to the United States three years ago, but one just came three days ago. Comparatively, the latter one may perceive a higher level of freedom and feel more satisfied with this country as compared to the first one who has been exposed to an open atmosphere for three years and has “taken it for granted.” While their value system remains unchanged, their perception toward freedom is shaped by time and experiences. Similarly, I consider the following situation: do managers perceive their environments differently and thus have different work motivational attitudes if they do not have similar work experiences? In the public sector, for example, do those who switch from private or nonprofit organizations perceive more red tape, risk aversion, goal ambiguity, and legal constraints than those who have not had any experience working in the private or nonprofit sector? If that is so, is it possible that sector switchers tend to report more negative work motivational attitudes than do non-switchers in the public sector? More detailed analyses are necessary. In short, a view of sector switching makes section 3.2 distinctive among many motivation studies.

Section 3.3 investigates the public-nonprofit sector moderation effect on need-attitude causalities. We have learned from Chapter Two that (1) needs cause impacts on one’s work motivational attitudes, (2) satisfaction of needs changes these impacts, and (3) sector affiliation is a determinant of need satisfaction. By incorporating these findings, I conduct need-attitude studies via a sector-moderation perspective. Another distinctive feature of this study is the base of moderation: public vs. nonprofit. I will discuss these issues through a meso approach.
3.1 Work Motivational Attitudes and Public-Nonprofit Sector Affiliation

Current environmental features shape one’s work motivational attitudes through the function of one’s perceptions. The PM scholars often reach the following inference by comparing public and private sectoral contexts. Some unfavorable features such as red tape, limited personnel reward, ambiguous goals, and a risk-averse culture in the public sector often frustrate public sector workers, and their negative perceptions generate compromised work motivational attitudes.

One may obtain similar findings by comparing public and nonprofit agencies if the nonprofit contexts are not too different from the private contexts. Are public and nonprofit agencies different? To some degree, the answer is positive. As opposed to public managers, both nonprofit and private ones suffer less from legal constraints and political intervention. The boundary between the nonprofit and the private sectors also becomes more and more blurry. Nonprofit organizations face dynamics of mixed-form markets. They first identify the market, wait for the growth of the market, and finally compete with private organizations (Marwell & McInerney, 2005).

From another perspective, public and nonprofit agencies are similar. Public and nonprofit sectoral contexts often overlap. On many OB subjects such as leadership, human resources (HR) management, and performance/productivity measurement, studies do not distinguish public and nonprofit (Berman, 2006; Pynes, 2009; Thach & Thompson, 2007) because they both strive to achieve some public goals. Putting nonprofit and private in the same basket as opposed to public may lead to problematic inferences concerning work motivational attitudes. Within a limited literature concerning public-nonprofit comparison, one study (Vinokur-Kaplan, Jayaratne, & Chess, 1994) found similar job satisfaction between public and
nonprofit social workers. Another study (Lyons, et al., 2006) compared public sector employees with “parapublic” sector employees and found no difference on their organizational commitment. In these two studies, both public and nonprofit/parapublic workers reported significantly low scores on their job satisfaction and organizational commitment in contrast to private sector workers. However, in one study by Gabris & Simo (1995), the gap of job satisfaction between public and nonprofit sector workers appears to be huge. They found that 95% of nonprofit employees were happy with their job, which is significantly higher than the ratio of public employees (78%).

Due to discrepant claims and research findings about public-nonprofit distinction, I will carefully examine the political-economic environment in the public and the nonprofit sectors in order to avoid over-simplifying public-nonprofit distinction. Attending the environment as a crucial source for employees’ perceptions and work motivational attitudes will help both public and nonprofit managers discern distinctiveness belonging to each sector, judge whether work motivational attitudes are different between public and nonprofit sector workers, and develop motivation theories which truly fit each sector’s specific inquiries.

**The economic environment and its influence on goal/task ambiguity**

Bozeman’s (1987) publicness heuristic reveals that nonprofit and public organizations have some similarities in their political or economic authorities. From the view of economic publicness, public and nonprofit environments converge in one critical aspect: they seldom sell their products or services and accordingly have limited control over their financial sources. The government heavily relies on various types of taxes for its operation, and the nonprofit sector is funded through a myriad of channels such as private (both individual and corporate).

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7 The parapublic sector organizations are those employed in the extended public service, including publicly funded education and health care (Lyons, et al., 2006). In fact, the taxonomy of public/parapublic/private is similar to that of public/nonprofit/for-profit. In this study I mainly use public/nonprofit/private.
contributions, foundation grants, governmental support, and a small portion of commercial activity (Froelich, 1999). Although commercial activities are considered the hottest area of nonprofit funding, the concern about the loss of distinctive nonprofit value remains to receive skepticisms and criticisms. The not-for-profit feature, which strongly pertains to a market with incomplete competition, causes a low financial authority in public and nonprofit agencies.

Overlapping features on the social service nature, limited financial authority, and a poorly functioning market first cripple the system of performance assessment for both public and nonprofit agencies. According to Campbell (2002), a nonprofit project must contribute to communitywide goals. The social service nature, which is less quantifiable, can possibly generate deficiency of skills in developing adequate indicators for measuring these goals. Indicators for project outcomes exist notwithstanding, nonprofit sector project managers are often aware that funding does not pay enough to support proper evaluation and data development. Apparently, lacking quantifiable indicators and funding sources contributes to difficulties in measuring performance.

Similar to public managers who face a complex network comprised of a variety of stakeholders and their conflicting demands, nonprofit managers also suffer from the controversy of their funders’ preferences. In order to maintain a stable funding source, nonprofit managers need to face the challenge of making sense for multiple funders with multiple goals – “they are wary of any attempt to force projects to conform to an official list of priorities, believing it would risk eliminating important projects that might not happen to fit the current or dominant agenda” (Campbell, 2002, p. 252). That is, economic publicness not only influences outcome measurement but also dominates goal setting in nonprofit organizations.
Let me analyze financial publicness in these two sectors more deeply. Recent public administration studies have made some efforts to develop a standard framework depicting sources of goal ambiguity (Chun & Rainey, 2005b; Pandey & Rainey, 2006; Pandey & Wright, 2006). One of the typical arguments indicates that public sector workers are more likely to perceive goal ambiguity than private sector ones, and that higher levels of financial publicness increase goal ambiguity (Chun & Rainey, 2005b). While low financial publicness in the public sector may imply few conflicting demands, low financial publicness in the nonprofit sector is usually synonymous with diverse funding sources, thereby creating a condition in which trustees compete for their preferences.

Considering that “ambiguity increases when an organization’s interactions with external actors focus on issues regarding the exchange of resources or joint decision making” (Pandey & Wright, 2006), both government and nonprofit managers often suffer from external/political disturbance and thus perceive more goal ambiguity. No wonder Campbell (2002) indicated that the problem of linking a nonprofit project to communitywide goals is more political than technical. Nonprofit community goals are subject to multiple interpretations and ongoing negotiation, which always makes project developers ask “who gets to set the goals.”

Therefore, goal ambiguity may not differ too much across the public and the nonprofit sectors. Goals and tasks are usually dependent. A clear task allows the organization to communicate goals easily and develop a mission-oriented culture (Moynihan & Pandey, 2005). The goal theory also points out that organizational goals might affect work motivation through its influence on task-level goal specificity (Wright, 2004). If public and nonprofit sector managers witness similar levels of goal ambiguity, their views toward task ambiguity should be identical. Therefore, I address my first preliminary hypothesis as follows:
Hypothesis 1.1: Public sector and nonprofit sector managers do not perceive different levels of task clarity.

Behn (1995) contended that the economic publicness provokes some “Big Questions”—micromanagement (principal-agent issue), motivation, and performance measurement—in the public sector. The problems of motivation and measuring performance seem to baffle nonprofit managers as well. In this, Brooks (2002) proposed that nonprofit management experiences may help answer these big questions. Their perspectives reflect my argument about performance measurement and goal/task ambiguity in this section. However, looking at the political environment in these two sectors and its shaping on organizations may lead one to different conclusions with respect to public-nonprofit distinction and workers’ motivational attitudes.

The political environment: more different than alike

Nonprofit managers, similar to private ones, face less political intervention than do public managers. Consequences of political interference include (1) a culture under which top-down trust is lacking and risk-taking behaviors are not encouraged, and (2) a centralized and formalized organizational structure in which red tape and legal constraints are prevalent (please refer to Chapter Two for literature regarding this argument). From this point of view, public sector workers are more likely than nonprofit sector workers to report negative work motivational attitudes, which is in conflict with the economic perspective. Because inferences of work motivational attitudes from the economic view and the political view are discrepant, I carefully examine and compare the political environment of these two sectors through the lens of organizational structures, organizational cultures, and incentive structures.

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8 Brooks (2002) also admitted that the principal-agent problem is less likely to occur in nonprofit sector organizations because (1) nonprofit trustees and public-sector principals do not play the same role, and (2) hierarchical control is less salient in the nonprofit sector.
Organizational structures

Three correlated components – formalization, centralization, and red tape – constitute the whole body of organizational structure. It is argued that a formalized and centralized structure with countless red tape is more prevalent in the public sector as opposed to the private sector. However, we know little about whether a formalized and centralized structure exists in the nonprofit sector as well. Competing perspectives prohibit me from generating any arbitrary speculation.

- Arguments underpinning public-nonprofit structural similarity

A handful of theories bolster the view that government and nonprofit agencies may be structured similarly. From the view of reward expectancy and public choice, work motivation increases when one expects that performing well in work will lead to rewards (Vroom, 1964). However, the merit protection system imposes impediments on public managers’ power in manipulating financial rewards. Owing to the not-for-profit nature, high salary and promotion are scant in the nonprofit sector too. When profit-oriented incentives are absent, people tend to pursue “side payments” such as resistance to budget/staffing cutbacks with red tape, political power, budget expansion, and increments in personnel (Bozeman, 1987; Niskanen, 1971; Rainey, et al., 1995). One may argue that both public and nonprofit managers are equally fond of “side payments” due to a crippled personnel reward system.

Goal ambiguity matters too. When valid and concise indicators for outcomes are not accessible, goals become unclear and managers start initiating control over their subordinates by proliferating burdensome rules and constraints (Rainey, et al., 1995). If goals are equally ambiguous across the public and the nonprofit sectors, both public and nonprofit managers may issue extensive procedures in order to maintain their authority.
Arguments underpinning public-nonprofit structural difference

The first countervailing claim stems from the view of political publicness. Reasons leading to public managers’ ubiquitous insecurity, reluctance to delegate, and tendency to establish procedural requirements mainly come from institutional constraints, external political intervention and oversight, and political alliances organized by subordinates and interest groups, which decrease managers’ decision-making autonomy and flexibility (Rainey, 2003; Rainey, et al., 1995). Due to a lower level of political interference and institutional constraints, nonprofit sector managers are less likely to control their subordinates with red tape and levels of formalized approval.

Second, the “low reward expectancy” conveys different implications in public and nonprofit agencies. The use of side payments such as budget expansion and increments in personnel to resist budget and staffing cutbacks seldom occurs in nonprofit organizations inasmuch as (1) neither finance nor personnel in nonprofit agencies is supervised by the legislation. Moreover, (2) unlike “immortal” government, the nonprofit sector has a more precarious existence despite their not-for-profit nature. The “bottom line” and limited funding sources prohibit nonprofit managers from pursuing side payments, which increase unnecessary inputs, result in inefficiency, and jeopardize organizational survival. (3) The public sector’s formalized personnel constraints originate from its concern for partisan politics, arbitrary discrimination, and merit protection system. This feature makes performance-based promotion, monetary reward, and employment less flexible in the public sector than in the nonprofit sector.

Empirical studies also indicated that pay-for-performance is becoming popular in the nonprofit sector (Hallock, 2000), although this trend keeps evoking criticisms which claim that evaluation process is subjective, superiors lack skills to develop standards and provide feedback,
and interpersonal comparison sets up a competitive environment and generates destruction to unit cohesion (Pynes, 2009). In sum, I surmise that a formalized personnel procedure, a centralized control system, and red tape are more prevalent in the public sector than in the nonprofit sector. A public-nonprofit comparison on organizational structures, to some degree, helps one verify the validity of “bureaucratic personality” theory – whether depersonalization and preference for regulations are especially common in the public sector (Hummel, 1994; Merton, 1940). Because indicators used to test centralization in the NASP III dataset is lacking, I propose only two hypotheses pertaining to formalization and red tape.

**Hypothesis 1.2**: Public managers perceive more formalized personnel constraints including performance-based reward, promotion, and employment than do nonprofit sector managers.

**Hypothesis 1.3**: Public managers perceive higher levels of red tape than do nonprofit sector managers.

**Organizational trust and risk-taking cultures**

Whether top management and employees are willing to take risks reflects a culture in which risks are encouraged. In considering distinctive features of public organizations and public managers, rarely does popular wisdom converge as seamlessly with academic study as it does on the topic of risk aversion among public managers and public organizations. We have learned from residual claimant theory (Alchian & Demsetz, 1972, 1973) that ownership is transferable in the private sector, so the market mechanism can monitor whether individuals are “shirking.” In contrast, a monitor without a claim on the residual (profit) is likely to put in suboptimal monitoring effort (Rowthorn & Chang, 1993). This theory also gives us reasons why one might expect public managers to be risk averse. Nonetheless, there is no implication that
risk is especially pervasive or especially uncommon in nonprofit organizations. If the market is the only determinative factor, one should witness little difference in risk-taking culture across the public and the nonprofit sectors.

A discrepant inference could be derived if one considers the following factors: institutional regulations, self-selection, and organizational survival. First, formalization, red tape, and centralization, which reduce the occurrence of risk-taking behaviors, do not distribute evenly between the government and the nonprofit sector. Second, risk-averse persons tend to value job security more highly than other needs, so they frequently self-select themselves to the public sector. Finally, different survival pressure in the public and the nonprofit sectors also matters. In general, a high risk-taking culture is more prevalent when an organization constantly faces survival crises or when managers feel that their positions are threatened. Managers are even more likely to take risky behaviors if prior performance is below their target (Bowman, 1980; Bromiley, 1991; Fiegenbaum & Thomas, 1988; March & Shapira, 1987). In contrast, few managers would dare to try risky behaviors where the failure may jeopardize the organization’s survival, especially when performance is higher than, but close to, the survival point. One may thus speculate that managers in the public sector may witness more risk aversion because public organizations suffer less from threats to survival, but nonprofit organizations need to cognize their limited funding or they risk bankruptcy and disappearance (Brooks, 2002).

A risk-taking culture frequently pertains to empowerment. Empowerment first facilitates a sense of meaning between the requirements of work roles and beliefs. Employees also obtain competence or feelings of self-efficacy after empowerment (Bandura, 1989). Empowered employees will have more choices and a sense of self-determination, which increase their confidence in responding to stressful tasks and make them more proactive in reacting to
problems. The success of empowerment relies on a culture of trust and an organization’s willingness to endure occasional mistakes and some variance of outcomes (Feldman, et al., 2004). More precisely, tolerance for risk-taking serves as the prerequisite of an empowerment strategy (Cunningham, et al., 1996; Herrenkohl, et al., 1999; Honold, 1997), and empowerment is a cornerstone for a top-down trust culture.

The high likelihood of risk aversion also implies a low possibility of top-down trust in the public sector. That is, public managers are more likely than nonprofit managers to suffer from intense legal constraints, work under great scrutiny, centralize their authority, feel reluctant to empower, and impose a lower level of trust on their subordinates.

Hypothesis 1.4: Public managers perceive a culture in which risk taking is less favorable and top management shows a lower level of trust on subordinates than do nonprofit sector managers.

Values/needs, incentive structures, and self-selection effect

Allow me to help refresh readers memories with how values, incentive structures, and self-selection correlate in the literature of public-private comparison. With respect to the priority of values/needs among public managers, a typical argument is that their risk-averse personality drives them to value job security more highly than other types of needs (Houston, 2000; Jurkiewicz, et al., 1998; Wittmer, 1991), and this risk-averse nature directs them to choose public sector jobs for their long-term career (Baldwin, 1991; Bellante & Link, 1981). Although many empirical studies repeatedly challenged this perspective by showing that the desire for job security does not vary across sectors (Frank & Lewis, 2004; Gabris & Simo, 1995; Khojasteh, 1993; Lewis & Frank, 2002; Lyons, et al., 2006), the inconsistent findings may reflect the labor market conditions in certain periods of time (Karl & Sutton, 1998). Another argument about
public sector employees holds that they care less about salary and advancement than their private counterparts (Frank & Lewis, 2004; Houston, 2000; Jurkiewicz, et al., 1998; Karl & Sutton, 1998; Khojasteh, 1993; Lewis & Frank, 2002; Rainey, et al., 1986; Wittmer, 1991). Those who pursue high income and more opportunity for promotion are more likely to work in the private sector. These two arguments lead me to deduce that the synergy of an objective incentive structure and subjective values/needs generates one’s self-selection.

In the nonprofit sector, self-selection conveys important implications for work motivational attitudes. In the sense that external “visible” incentives such as job security, high salary, and promotion are objectively less accessible in the nonprofit sector, self-selected nonprofit sector workers tend to be more self-motivated or intrinsically-motivated, and most contemporary nonprofit literature confirms this perspective (see Leete, 2000 for an example). Intrinsically motivated people, according to the Attribution Theory, are more likely to perceive a work-friendly environment and to be positive on their work motivational attitudes. A stark example was provided by Light (2002), who compared parallel studies of the federal government and private sector conducted by the Center for Public Service and found that public, private, and nonprofit sector workers reported differently on their values, perceptions of coworkers, and attitudes toward work content (see Table 2).
Table 2  Nonprofit workers’ values, perceptions of co-workers, attitudes toward work

<table>
<thead>
<tr>
<th>Values in organizations: Why join?</th>
<th>Nonprofit</th>
<th>Public</th>
<th>Private</th>
</tr>
</thead>
<tbody>
<tr>
<td>Select pay check as the first priority</td>
<td>16%</td>
<td>31%</td>
<td>47%</td>
</tr>
<tr>
<td>The chance to make a difference, not pay or benefits</td>
<td>61%</td>
<td>27%</td>
<td>22%</td>
</tr>
<tr>
<td>Pride in the organization, not job security</td>
<td>52%</td>
<td>29%</td>
<td>36%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Perceptions of co-workers</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Open to new ideas</td>
<td>46%</td>
<td>33%</td>
<td>36%</td>
</tr>
<tr>
<td>Willing to help other employees to learn new skills</td>
<td>67%</td>
<td>52%</td>
<td>51%</td>
</tr>
<tr>
<td>Concerned about achieving the mission</td>
<td>72%</td>
<td>63%</td>
<td>56%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Attitudes toward work content (strongly agree)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>My job is boring (reverse)</td>
<td>75%</td>
<td>57%</td>
<td>58%</td>
</tr>
<tr>
<td>I am given the chance to do the things that I do best</td>
<td>68%</td>
<td>46%</td>
<td>52%</td>
</tr>
<tr>
<td>My job is a dead-end with no future (reverse)</td>
<td>58%</td>
<td>47%</td>
<td>54%</td>
</tr>
<tr>
<td>My organization encourages employees to take risks</td>
<td>73%</td>
<td>58%</td>
<td>62%</td>
</tr>
</tbody>
</table>

Source: Light (2002)

Sample size is similar across the three sectors: 1140 in the nonprofit sector, 1051 in the government, and 1005 in the private sector. Statistics concerning values show that in contrast to public and private sector workers, nonprofit ones are generally more intrinsically motivated – they care less about a paycheck but more about pride and making a difference. They also agree that their colleagues are more helpful, open to new ideas, collaborative, and concerned about organizational mission. Most important, they are more than a group of optimists when they are asked “whether your work is boring,” “whether you are given the chance to do the things that you do best,” “whether the job is a dead-end with no future,” and “whether your organizations encourage employees to take risks.” Therefore, nonprofit sector workers are more likely than public sector workers to have trait-positive affect and report positive work motivational attitudes.

To some degree, public sector workers are expected to have altruistic values and a need for public service (i.e. Public Service Motivation or PSM). In contrast to those working in the private sector, public employees tend to value highly on items such as “service to the public,” “value to community,” and “contribution to society” (Crewson, 1997; Frank & Lewis, 2004;
Gabris & Simo, 1995; Lyons, et al., 2006; Wittmer, 1991). However, literature regarding public-nonprofit comparison may discourage proponents of PSM. Gabris & Simo (1995) and Wittmer (1991) found little difference between public and nonprofit managers on these items. Lyons et al. (2006) and Light (2002) indicated that altruistic motivation among public sector employees is even weaker than among parapublic sector employees.

PSM sounds seductive as a justification for the self-selection among public sector workers. However, as I mentioned in Chapter Two, the priority of PSM is frequently far behind a need for job security, salary, and promotion in the public sector. The merit protection system and well-developed pension and retirement plans attract a group of risk-averse people, dilute a need for public service, and impedes the formation of intrinsic motivation. Maybe PSM does exist among government sector workers, but its importance is often offset by a need for job security or other external rewards. Accordingly, its effect on employees’ self-selection, behaviors, and attitudes toward work is so tiny that it should be neglected (Gabris & Simo, 1995).

**An integrated view**

We are informed from both theories and empirical studies that nonprofit sector workers tend to have trait-positive affect, which leads them to evaluate their current environment features in a positive manner. By incorporating this view with the previous four hypotheses, I speculate that positive work motivational attitudes are more pervasive in the nonprofit sector. Both public and nonprofit sector workers may suffer from goal/task ambiguity and limited financial rewards notwithstanding, their internal values and their perceptions of red tape, personnel formalization, a trust culture, and a risk-taking culture are so different that a salient gap of work motivational attitudes between these two groups should be observable (see Table 3).
**Hypothesis 1.5:** Public managers have more negative work motivational attitudes than do nonprofit sector managers.

| Table 3  Sources of work motivational attitudes: public-nonprofit comparison |
|---------------------------------|-----------------|-----------------|
| **Hypothesis**                  | **Anticipated public-nonprofit difference** | **Main reasons** |
| **Environmental features**      |                 |                 |
| H1.1: Task ambiguity            | GOV = NPO       | ◆ Low economic authority  
                                 |                 | ◆ Poor outcome measurement |
| H1.2: Formalization             | GOV > NPO       | ◆ Merit protection  
                                 |                 | ◆ Manager’s loss of power |
| H1.3: Red tape                  | GOV > NPO       | ◆ Institutional constraints  
                                 |                 | ◆ Managers’ loss of power |
| H1.4: Risk-trust aversion       | GOV > NPO       | ◆ Formalization, red tape  
                                 |                 | ◆ Survival  
                                 |                 | ◆ Low empowerment |
| **Individual features**         |                 |                 |
| Trait-positive affect & intrinsic motivation | GOV < NPO       | ◆ Incentive structures  
                                 |                 | ◆ Self-selection |
| **Integrated view**             |                 |                 |
| H1.5: Positive work motivational attitudes | GOV < NPO       | Summation of environmental and individual features |

Source: Author

Please refer to Figure 3 for a conceptual model for Hypothesis 1.1 ~ 1.5. Task ambiguity, formalization in personnel rules, red tape, and risk-trust aversion are important mediators for work motivational attitudes, and they are often correlated. In Chapter 4, I will test their mediation effects between public-nonprofit shaping on work motivational attitudes. Self-selection effect, an individual level variable, cannot be taken into account in this macro-level research model.
3.2 Work Motivational Attitudes and Sector Switching

Time is a critical moderator in organization studies. Although adding micro-macro interactive effect increases a model’s explanatory power for organizational behaviors, the validity of inference is still vulnerable when “time” alters adaptability of individuals. Allow me to recapitulate how workers may react differently to organizational change at two time points. One may contend that instantaneous organizational change can cause stress and anxiety and contribute to managerial rigidity, according to Staw, Sandelands, & Dutton (1981). However, one would reach a different conclusion if managers successfully demonstrate adequate leadership skills to appease employees’ anxiety in the long run. A long-term adaptation may drive many
energetic workers to consider organizational change as a chance for their growth and thus work harder. It also increases their good citizenship behaviors (Mishra & Spreitzer, 1998).

By the same token, work motivational attitudes should also pertain to time moderation. I present time moderation effect in the form of “sector switching” and “sector imprinting” in this section. Sector imprinting effect refers to possibly different possible perceptions of environments between sector switchers (i.e. those who work in a different sectoral context for their previous job) and non-switchers due to their distinctive “imprinted” sectoral memory. The discussion of sector imprinting effect can be two-fold: the effect on sector switchers and the effect on non-switchers. Different underlying theories explain how imprinting effects are imposed on these two types of workers. Theories about organizational socialization best interpret non-switchers’ attitudinal persuasion, and contrast effect explains switchers’ perceptual change. Regardless of seemingly unrelated theoretical backgrounds, the success of an imprinting process rests on “time” – whether time is long enough to help workers generate relevant sectoral memories.

**Sector non-switchers: attitudinal persuasion**

In section 3.1, I introduced contextual features in both public and nonprofit organizations, which appear to be different enough to trigger an attitudinal gap across the sectors. In forming attitudes, presumably, one perceives their contemporary external environments and thereby generates attitudes based on their perceptions. This logic is not impeccable, however. Time frequently infuses processed information to an individual and thus strengthens one’s perceptions on specific sectoral conditions, provided the conditions are constant.

From the perspective of social psychology, the formation of attitudes results from people’s spontaneous evaluation on an object/event, which generates beliefs about that
object/event (Ajzen & Fishbein, 2000). However, beliefs tend to change in the long run due to individual “persuasion,” which refers to a process of guiding people toward the adoption of ideas, attitudes, or actions. Social psychologists have identified two critical factors in the persuasion process. The first one is cognitive dissonance, which means inconsistency among beliefs in one’s cognitive system (Festinger, 1957). A recent study of cognitive dissonance holds that people experience dissonance mainly due to discrepancy between their self identity (i.e. original beliefs) and an averse or unwanted event that they are responsible for (Cooper, 1992). Most likely, people may attempt to reduce dissonance and maintain their perceptual integrity by changing their self identity or attitudes (Festinger, 1957; L. Simon, Greenberg, & Brehm, 1995). The second factor is memory of message. Social psychologists argue that people cannot elaborate messages at the time of exposure, but they are often required to make judgments sometime after message exposure. In such circumstance, people try to retrieve whatever they can remember and make inferences based on their memory (Petty, Wegener, & Fabrigar, 1997). Memory of messages not only accumulates but also becomes relevant after undergoing each cognitive dissonance reduction.

Theories of social psychology shed light on our understanding of non-switchers’ work motivational attitudes. A complete persuasion process relies on the functioning of both dissonance reduction and memory accumulation. The public sector, for example, is notorious for its political interference and consequences such as red tape, personnel regulations, goal ambiguity, etc. Public sector newcomers who are ignorant about these contextual features may first suffer from cognitive dissonance. In order to survive, they may choose either turnover or socialization (Louis, 1980). Those who prefer to accept socialization will try to reduce cognitive dissonance by “hypnotizing” themselves into believing that unfavorable public sector features
are necessary. Meanwhile, they accumulate relevant bureaucratic memory which helps them deal with these unfavorable worksite conditions. The longer they stay, the more experienced they are, and the more likely they change their attitudes (i.e. persuade themselves) to adapt to unfavorable public sector features. One may infer that those who have had work experience in the public sector may have more generous standards in judging political interference, red tape, a restricted personnel reward system, risk aversion, top-down trust, etc. than do those who have had no such experience, and accordingly their reported job satisfaction, involvement, and organizational commitment may appear to be higher than inexperienced workers. In the nonprofit sector, by contrast, workers tend to judge political interference, red tape, a restricted personnel reward system, risk aversion, and top-down trust by using stricter criteria than do those who have had no nonprofit experience.

In sum, objective conditions alone cannot constitute the whole scenario of perceived contemporary environments. Reported scores on perceptions and attitudes also reflect individual experiences, which play a key role in forming a set of criteria in a given environment. Failing to currently consider both factors may deduce biased interpretation of perceptions and attitudes.

**Sector switchers: contrast effect**

We have learned from the socialization process for sector non-switchers that experience is an essential predictor for attitudes, and length and relevance of one’s experience yield important implications for designing and implementing socialization practices. Practical studies confirm this point of view (Reichers, Wanous, & Steele, 1994; Songer-Nocks, 1976). Following the same logic, one may anticipate that sector switchers may have been “persuaded” to construct a specific set of criteria for event judgment and beliefs in their “old” sector. Their prior-switching experience will also alter switchers’ sense making via “contrast effect.”
Early studies on the contrast effect can be traced back to Sherif and Hovland (1961), who found that research subjects who were first asked to lift a heavy object and then asked to lift a lighter object tended to underestimate the weight of lighter object, whereas subjects who lifted only the lighter object tended to provide more accurate estimates. Focusing on the contrast effect in organizations, Louis (1980) considered the impact of socialization on sense-making for switchers (i.e. newcomers) instead of insiders. His introduction of prior-switching socialization for switchers is similar to the persuasion process – they learn essential elements from their roles in their original organizations (e.g. needs ability, expectation on them, etc.), and they also learn organizational culture when they are “learning the ropes.” The content of learning in the organization and on the job develops expectations and beliefs about their life. When they move to a new environmental setting, the new situation may require their adjustment. Entry experience in this phase is “contrast.” In all likelihood, the transition does not erase all the old traces, and newcomers frequently carry memories into the new roles. Recalling experiences from prior roles is synonymous with triggering contrast effects. One of the most typical consequences of contrast is surprise, which can be either positive or negative (Louis, 1980).

Negative consequences of surprise are generated when persons and roles mismatch during work-role transitions, as West & Rushton (1989) contended. In an empirical study, they measured surprise experiences in five dimensions: the people at work, the nature of the work, the general atmosphere of the work area, reactions and feelings about things at work, and work performance. Their results indicated that negative surprise in these aspects occurs after individuals enter a low discretion environment – work-role transitions did lead to personal adjustment for mismatches between persons and roles, but low discretion environments hindered such adjustments and in turn nourished frustration and turnover intention. Their findings appear
to be in correspondence with Louis’s (1980) earlier assertion: newcomers do not feel that they become insiders until they are endowed with broad responsibilities and autonomy.

**Comparing sector switchers and non-switchers**

Recall that public and nonprofit sectoral features may differ, as I addressed in section 3.1 (Hypothesis 1.1 - 1.4). Due to overly emphasized administrative rules and top-down control, discretion and autonomy are generally lacking in the public sector. Considering prior-switching persuasion and contrast effect simultaneously, in the public sector, switchers from nonprofit agencies may tend to evaluate red tape, personnel regulations, top-down trust, and risk aversion with strict criteria and thus experience negative surprise. It is also possible that they perceive great difficulty in becoming insiders. By contrast, non-switchers who hold constant criteria may exhibit less frustration than switchers, although they face identically unfavorable conditions.

*Hypothesis 2.1: Because public managers are more likely to perceive red tape, formalized personnel constraints, and less likely to perceive a top-down trust culture and a risk-taking culture than nonprofit managers due to objective difference in these two sectors (H 1.1 ~H 1.4), in the public sector…*

- *H 2.1.0: Switchers from the nonprofit sector do not perceive different levels of task clarity from non-switchers.*

- *H 2.1.1: Switchers from the nonprofit sector are even more likely to perceive red tape than non-switchers.*

- *H 2.1.2: Switchers from the nonprofit sector are even more likely to perceive formalized personnel constraints than non-switchers.*

- *H 2.1.3: Switchers from the nonprofit sector are even less likely to perceive a culture where risk-taking and top-down trust are discouraged than non-switchers.*
Based on H 2.1.0 ~ 2.1.3, switchers from the nonprofit sector are even more likely to have negative work motivational attitudes than non-switchers.

Both undermet and overmet anticipations can produce surprise, according to Louis (1980). That is, surprise can be positive as well. In the nonprofit sector, for example, switchers from the public sector may be less likely than non-switchers to perceive red tape, formalized personnel restrictions, and more likely to perceive a top-down trust culture and a risk-taking culture due to their relatively generous criteria for evaluation. Their perceptions of the environment may potentially bring them a sense of “emancipation” from previous unfavorable public sector features and in turn generate more positive motivational attitudes. Non-switchers, who are “over-spoilt” by their work environment, may exhibit less positive work motivational attitudes than do switchers from the public sector.

Hypothesis 2.2: Similarly, if nonprofit managers are less likely to perceive red tape, formalized personnel constraints, and more likely to perceive a top-down trust culture and a risk-taking culture than public managers due to objective difference in these two sectors (H 1.1 ~H 1.4), in the nonprofit sector…:

- H 2.2.0: Switchers from the public sector may not perceive different levels of task clarity from non-switchers.

- H 2.2.1: Switchers from the public sector are even less likely to perceive red tape than non-switchers.

- H 2.2.2: Switchers from the public sector are even less likely to perceive formalized personnel constraints than non-switchers.

- H 2.2.3: Switchers from the public sector are even more likely to perceive a culture where risk-taking and top-down trust are encouraged.
- **H 2.2.4:** Based on H 2.1.0 ~ 2.1.3, switchers from the public sector are even more likely to have positive work motivational attitudes than non-switchers.

![Figure 3: A Conceptual Models for Hypothesis 2.1 ~ 2.2](image)

**Source:** Author

### 3.3 Work Motivational Attitudes and Public-Nonprofit Sector Moderation on the Impacts of Needs/Values

Allow me to help readers quickly review causalities between needs/values and work motivational attitudes. The Attribution Theory (Weiner, 1986) and various empirical evidence (Cook & Wall, 1980; Hackman & Lawler, 1971; Warr, et al., 1979) first connected these two ends by indicating that intrinsically motivated people tend to have trait-positive affect, evaluate an objective condition more positively, and consequently have positive attitudes toward their work. Although the Attribution Theory hints that extrinsically motivated people are likely to have negative trait-affect and work attitudes, researchers have seldom tested it. Reasons leading
to the paucity of extrinsic motivation research are straightforward: psychologists and sociologists have assumed that a person’s job involvement and organizational commitment are a result of intrinsic needs such as autonomy and responsibility rather than extrinsic needs such as pay and security. Another reason is that intrinsic motivation and job/work involvement have often been used synonymously regardless of the adequacy (Kanungo, 1982). Recently the Self-Determination Theory (Ryan & Deci, 2000a, 2000b) more systematically sorted out different types of extrinsic motivation. Based on this theory, people with internalized extrinsic needs, similar to intrinsically motivated ones, have positive work motivational attitudes as well.

Classic need-attitude studies neglected the moderation effect of need satisfaction. Some studies (Gorn & Kanungo, 1980; Riipinen, 1996; Warr, et al., 1979; Weissenberg & Gruenfeld, 1968) attended the effect of need satisfaction. Although their findings look discrepant, at least we have been informed that need-motivation or need-attitude relationship is not straightforward. In section 2.3, I further examined conditions which may determine need satisfaction. I found that public-private sectoral contexts play a key role because individuals often passively respond to given realities in an environment, according to Newman (1975). A parallel point of view was rendered by Salancik & Pfeffer (1977), who argued that a need-satisfaction model is the functional relation among needs, job characteristics, and attitudes. Job characteristics are often deemed the reflection of a sectoral environment.

Motivation studies so far have not successfully integrated (1) need-attitude relationships and (2) sector moderation effect in one model. In addition, the scope of sector moderation has not reached the nonprofit sector. I will investigate need-attitude relationships through the lens of public-nonprofit moderation in this study. This study has the following distinctive features. First, it not only includes variables on both individual and sectoral levels but also explores their
interactive effects, which perfectly matches the ideal of a meso approach. Second, it does not test need satisfaction independently. Instead, need satisfaction has been embedded in the effect of sector moderation. Finally, the unit of analysis is need, not person. This approach more adequately reflects that no one is perfectly extrinsically or intrinsically motivated. Six different types of needs are embraced in this study to test need-attitude relationships:

- A need for more responsibility (intrinsic)
- The ability to serve the public (intrinsic)
- A need for advancement (extrinsic)
- A need for higher pay (extrinsic)
- A need for job security (extrinsic)
- A need for a job – I work here due to limited job offers (extrinsic)

The need for responsibility as an intrinsic motivator

Concerning intrinsic motivational needs, theories and studies almost unanimously indicate that intrinsically motivated people are more likely to have positive motivational attitudes, based on the Attribution Theory (Weiner, 1986). Responsibility as a typical intrinsic need is, assumingly, expected to make people more involved in their job and committed to their organizations. In both nonprofit and public organizations where external incentives are lacking, the need for responsibility plays a key role in driving people to work hard and to have positive work motivational attitudes.

*Hypothesis 3.1a: The need for increased responsibility is positively related to one’s work motivational attitudes in both nonprofit and public organizations.*

This causality may be different in the public and the nonprofit sectors. According to the Self-Determination Theory (SDT), self-determination occurs only when competence and
autonomy are endowed. Public sector workers who frequently suffer from conflicting demands, legal constraints, and political control are more likely than their nonprofit counterparts to feel the loss of autonomy. In one motivation study, Khojasteh (1993) indicated that the dissatisfaction with responsibility for public managers was ranked the top one among twelve kinds of intrinsic and extrinsic needs. When a personal need is stronger than the potential for need satisfaction in an environment, people will tend to be frustrated and hence to be less satisfied with their job (Kuhlen, 1968). In this, I anticipate that a need for responsibility as an intrinsic motivator is more likely to generate positive work motivational attitudes in the nonprofit sector than in the public sector.

*Hypothesis 3.1b: The positive impact of a need for responsibility on work motivational attitudes is stronger in the nonprofit sector than in the public sector.*

**The need for the ability to serve the public as an intrinsic motivator**

In recent years, public service motivation (PSM) has become one of the main themes in the PA field (Brewer, et al., 2000; Crewson, 1997; Houston, 2000; Kim & Lee, 2007; Moynihan & Pandey, 2007; Perry, 1996, 1997, 2000; Scott & Pandey, 2005). Scholars tend to deem PSM an intrinsic motivator positively tied to one’s perceived environments (e.g. perceived red tape, see Scott & Pandey, 2005), motivational attitudes (e.g. organizational commitment, see Crewson, 1997), and organizational behaviors (e.g. turnover intention, see Kim & Lee, 2007). These linkages are endorsed by the Attribution Theory (Weiner, 1986), which holds that intrinsically motivated managers are inclined to assign the cause of an circumstance to factors within individuals instead of external agents. In the sense that both public and nonprofit organizations are responsible for mission-oriented public service delivery and thus heavily rely on self-
motivated volunteers, workers’ desire for an ability to serve the public and community are expected to be important predictors for positive work motivational attitudes.

*Hypothesis 3.2a: The need for an ability to serve the public is positively related to one’s work motivational attitudes in both nonprofit and public organizations.*

Knoke & Wright-Isak (1982) suggested in their predisposition-opportunity model that one’s commitment to an organization depends on the congruence of an individual’s motivational predisposition and an organization’s opportunity structure. The absence of potential for need satisfaction can attenuate the strength of need-attitude association. The question now is: do public and nonprofit sector workers have equal opportunities to obtain adequate skills and accordingly have enough abilities to serve the public? If the answer is positive, one would expect to see little public-nonprofit moderation effect. However, I argue that the need-attitude relationship in hypothesis 3.2a will differ across the public and the nonprofit sectors due to different levels of professionalism.

Professions historically have been a repository for public service values. Values such as social justice, caring, and common good all root in public administration with the evolution of the public service profession (Mosher, 1982; Perry, 1997). Dimensions of professionalism change over time (Berman, 1999). In the 1960s and 1970s, scholars frequently emphasized educational attainment and social equity. In the 1980s, accountability became the mainstream. In the 1990s, professionalism requires not only the commitment to ethics and a concern for the well-being of stakeholders but also “competence” (i.e. the ability to serve the public) (Fry, 1995). Concerning sources in the public and the nonprofit sectors, public agencies are usually larger, have a stronger “niche” (Hannan & Freeman, 1977, 1984) and hence enjoy more stable sources of funding and resource availability. It might be easier for public as compared to nonprofit
organizations to hire consultants, ensure adequate support services, and provide opportunities for managers to participate in training and attend professional conferences (Berman, 1999). This claim leads to the following hypothesis

Hypothesis 3.2b: The impact of a need for abilities to serve the public on work motivational attitudes is stronger in the public sector than in the nonprofit sector.

Intrinsic motivators such as a need for responsibility and the ability to serve the public, according to theories and previous empirical evidences, positively predict one’s work motivational attitudes. The positive relationships, depend on the likelihood of need satisfaction, may exhibit different scenarios in public and nonprofit organizations. Next, I will examine the relationships between extrinsic needs and work motivational attitudes. The discussion of extrinsic needs is more complicated because extrinsic needs are more diverse in terms of their regulatory styles.

The need for advancement in a hierarchy as an extrinsic motivator

Promotion in most of classic literature is considered as an external reward, so the need for advancement in an organization’s hierarchy should be deemed an extrinsic need. The Attribution Theory hints that extrinsically motivated people are more likely to have a trait-negative affect and experience negative feelings. However, Herzberg’s (1966) Two-Factor Theory indicates that the need for advancement is a motivator, which is in the same category with most intrinsic needs such as responsibility and achievement. The opposite side of motivators is comprised of several typical hygiene/extrinsic factors such as money, pension plans, fringe benefits, and job security. While hygiene factors can only prevent dissatisfaction, motivators are essential to increasing motivation (Rainey, 2003).
Although advancement, money, benefits, and job security are all external to individuals, in reality the “intangible” feature makes advancement a distinctive one. While the attainment of advancement is often determined by others, the reward *per se* is both psychological and internal. The winner in an organization’s ladder receives not only higher salary and more benefits but the prestige associated with the higher position (Jason, 2005). The need for advancement, in Maslow’s (1954) needs hierarchy, could be a counterpart of prestige and recognition (i.e. a need for self-esteem) in addition to power and control. In the Self-Determination Continuum (Ryan & Deci, 2000a, 2000b), the need for advancement can be deemed “an extrinsic motivator with internal perceived locus of causality.” I accordingly address the hypothesis as followed.

*Hypothesis 3.3a: The need for advancement in an organization’s hierarchy is positively related to one’s work motivational attitudes in both nonprofit and public organizations.*

A growing body of empirical studies with respect to nonprofit agencies has incrementally focused on the difference in compensation between the nonprofit and the private sectors (Devaro & Brookshire, 2006). Traditionally, when labor economists bring forward the issue of compensation, they prefer putting public and nonprofit organizations in the same basket as a contrast to private organizations because of their inherent similarity on performance measures – quantifiable outcome indicators in the public and nonprofit sectors are often scant. In one study concerning a nonprofit-private comparison on promotion and incentives, nonprofits showed less willingness to base promotion on job performance or merit, and their probabilities of promotion and expectation on promotion were significantly lower than those in the private sector (Devaro & Brookshire, 2006). If both public and nonprofit managers encounter equal difficulties in
measuring performance, as labor economists assert, one should anticipate that promotion probabilities are similar in the government sector and the nonprofit sector.

One could reach a different conclusion by looking at perspectives of human resource management and sociology. Government agencies generally have a larger size and have a stronger niche than nonprofit ones. Larger size implies more job openings and a longer vacancy chain (White, 1970), which increases opportunities for promotion. In addition, a stronger niche is frequently associated with resources invested in human capital. While nonprofit organizations from time to time suffer from constrained funding and need to rely on flexible staffing (e.g. contract workers, agency temporaries, on-call workers, etc.), public organizations have abundant resources to hire more standard/permanent workers for their core functions and provide them training opportunities. This feature also leads me to surmise that people working in public sector agencies are in a more advantageous position to get promoted. Lastly, the social closure process also sheds light on our understanding of possible public-nonprofit difference in promotional opportunities (Jason, 2005). Social closure is a theory about struggle between status groups such as black/white, citizen/foreigner, male/female, etc. Status distinctions within an organization encourage resource exploitation and opportunity hoarding because power is seldom distributed evenly between status groups. Social closure is less likely to occur in government agencies where high levels of formalization bring more balanced representation of women and minorities (J. N. Baron, Mittman, & Newman, 1991). That is, the frequency and opportunity of promotion can be higher in public than in nonprofit organizations.

Briefly speaking, performance measurement is not the only criterion in determining opportunities for promotion. Institutional structures and resources in the public sector provide more channels for promotion. Considering that people will tend to be frustrated and less
satisfied with their job when needs are stronger than the potential of the occupation for satisfying them (Kuhlen, 1968), a need for advancement may cause weaker impacts on positive work motivational attitudes in the nonprofit than in the public sector.

_Hypothesis 3.3b: The positive relationship between the need for advancement in an organization’s hierarchy and work motivational attitudes is stronger in the public sector than in the nonprofit sector._

**The need for salary as an extrinsic motivator**

Private workers generally place equivalent emphasis on advancement and salary, so attractive pay and high promotion opportunity are thought to be the most critical incentives in the private sector. Although they are both external from people, they belong to different categories in Herzberg’s (1966) typology of motivator-hygiene factors. The implications can be two fold. In the first place, according to the Attribution Theory (Weiner, 1986), the need-attitude relationships for these two types of needs should exhibit in opposite directions: a need for advancement predicts work motivational attitudes positively, but a need for salary predicts negatively. I anticipate that the negative impact associated with the need for salary will be greater in both public and nonprofit organizations than in private organizations due to their not-for-profit nature and lack of performance-based pay. In a recent study about motivation and job satisfaction in the public and nonprofit social service sectors, Borzaga & Tortia (2006) found that workers driven by “economic” extrinsic motivators (i.e. interest in the wage) are less likely to be satisfied with their work.

_Hypothesis 3.4a: The need for salary is negatively related to one’s work motivational attitudes in both nonprofit and public organizations._
Satisfaction by a need for salary can only “prevent dissatisfaction,” assuming that Herzberg’s argument is valid. Recalling that high expectation on salary in both public and private organizations often generates high dissatisfaction (please refer to section 2.3 for details), this consequence could be more salient in the nonprofit sector due to its unique pay structure.

The literature on nonprofit-private pay difference fortifies my argument. According to Hallock (2000), the following differences in pay between nonprofit and private organizations are the most relevant. The first one is “donating wages.” Given that workers’ utility is a function of their wage and of social benefits, they may be willing to trade lower wages for higher social benefits. So nonprofit organizations, which provide the society with greater benefits, can pay given workers lower wages. The second one is compensating wage differentials. Workers accept lower wages in the nonprofits in exchange for flexible hours, more stable job prospects, and a slower pace. The last one is characteristics and ability bias. Those who choose to work in the nonprofit sector have some latent commonalities, which may be associated with a low wage. For example, Preston (1989) argued that women are more likely to work in nonprofits and that the private-nonprofit gap may simply be a gender effect.

Except for the potential in producing social benefits, there is little evidence showing that public and private organizations might be different in the rest two dimensions. In addition, a crippled performance-based pay structure with unstable funding may not necessarily be more desirable than a merit pay structure if one’s expectation on salary is only “stable” but not “high.” Using 1977 Quality of Employment Survey, Mirvis & Hackett (1983) indicated in an early study that the wage for nonprofit sector workers was far lower than that for public and private sector

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9 Social benefits are defined as social externalities, benefits by parties external to the transaction, or more specifically, by society as a whole (Preston, 1989, p. 440). It is generally believed that nonprofit as opposed to private organizations are more likely to provide benefits heavily weighted towards the social part due to legal restrictions guiding them.
workers. Another recent study by Hallock (2000), who examined 1990 Public Use Microdata Sample Census (PMUS) data, reported that annual income for nonprofit sector workers is slightly lower than that for public and private sector workers.

The inference that nonprofit agencies have the least potential for satisfying their employees’ need for salary leads me to generate my next hypothesis – those who have a strong desire for salary may feel even less satisfied in the nonprofit sector than in the public sector.

*Hypothesis 3.4b: The negative relationship between the need for salary and work motivational attitudes is stronger in the nonprofit sector than in the public sector.*

**The need for job security as an extrinsic motivator**

Similar to a need for salary, one’s need for job security as an extrinsic motivator or a hygiene factor is expected to bring negative consequences to work motivational attitudes. The negative impact on attitudes in public and nonprofit organizations, I surmise, should be moderately weaker than that brought by the need for salary due to employees’ rather internal perceived locus of causality (i.e. sense of control/autonomy) on job security.

Salary as a type of reward is externally controlled regardless of one’s sector affiliation, and accordingly people in the public, private, and nonprofit sectors may have little difference in their perceived locus of causality on pay increase/decrease. However, employees’ perceived locus of causality on job security may differ across sectors. Job security often goes with advancement and salary in the private sector, and private sector workers are more likely than public sector workers to report a low score on current status of job security, as I addressed in section 2.3. It is reasonable to speculate that a need for pay and a need for job security may generate similar negative impacts on work motivational attitudes in the private sector. By contrast, job security in the public sector is independent from higher positions and salary. Fixed
and predetermined job security may help employees move their perceived locus of causality on job security away from the external side, thereby effectively attenuating the negative need-attitude relationship. For nonprofit sector employees, controlling job security could be easier than controlling salary as well. In the sense that the nonprofit sector’s roots in volunteerism can simultaneously lead to a constrained financial reward system and a low involuntary turnover rate, a need for salary and a need for job security should influence work motivational attitudes differently. Despite the paucity of empirical evidences, one study did find that economically extrinsic needs (e.g. salary) more significantly predict compromised job satisfaction than do non-economically extrinsic needs (e.g. job security) (Borzaga & Tortia, 2006).

Hypothesis 3.5a: The need for job security is negatively related to one’s work motivational attitudes in both nonprofit and public organizations. The negative relationship, however, is less significant than that addressed in hypothesis 2.4a.

Although both public and nonprofit sector employees are more likely to exhibit a stronger sense of control over job security than over salary, negative relationships between a need for job security and work motivational attitudes may still differ in these two sectors. An organization’s survival pressure serves as a pivotal role for this difference – while public agencies generally rely on taxes for operation and seldom perish, their nonprofit peers are hardly exempt from the problem of unstable funding. An unpredictable future for their organizations may move nonprofit employees’ locus of causality from the internal side to the external side, which deteriorates their work motivational attitudes.

Hypothesis 3.5b: The negative relationship between the need for job security and work motivational attitudes is stronger in the nonprofit sector than in the public sector.
The need for a job per se within few alternatives as an “amotivator”

Although the use of intrinsic/extrinsic dichotomy is pervasive in contemporary motivation studies, one motivation type is left undisguised under this taxonomy. According to Deci & Ryan (1985), amotivation occurs when one perceives oneself to be incompetent to attain one’s desired outcomes. In this situation, the environment allows neither self-determination nor autonomic action, so everything could be interpreted as unmasterable.

While external conditions often allow individuals to choose a job based on their needs voluntarily, few alternative job offers in a market may occur occasionally due to various reasons. Being forced to select a job among limited choices may refer to neither internal nor external but “impersonal” locus of causality and the loss of autonomy, which can be important predictors for nonintentionality and nonrelevance in one’s job (Ryan & Deci, 2000a, 2000b). Of course, negative work motivational attitudes are unavoidable consequences. In all likelihood, individuals having strong reluctance to stay in their current organizations will fail to find any chance to internalize external regulations into their personal values (i.e. for them, motivators do not exist). More precisely, their need dissatisfaction is independent from their environmental features. I hereby hypothesize that a need for a job within few job alternatives erodes one’s work motivational attitudes, regardless of public-nonprofit sector affiliation.

Hypothesis 3.6: The need for job itself within few alternatives is negatively related to one’s work motivational attitudes in both nonprofit and public organizations. The negative relationship may not differ across the sectors.

Summary of this section

By attending antecedents of work motivational attitudes in a meso approach, I hypothesize that values/needs shape one’s work motivational attitudes, and the relationships are
moderated by sectoral features via the function of different potentials for need satisfaction, or in other words, via different levels of perceived locus of causality. I incorporate (1) different types of personal needs, (2) perceived locus of causality, (3) directions (positive/negative) of predicted attitudes, (4) magnitude of predictability, (5) favorable sectors for need satisfaction, and (6) predictability difference in Table 4.

<table>
<thead>
<tr>
<th>Motivation</th>
<th>Amotivation</th>
<th>Extrinsic motivation</th>
<th>Intrinsic motivation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Needs</td>
<td>Limited job alternatives</td>
<td>Salary</td>
<td>Job security</td>
</tr>
<tr>
<td>Locus of causality</td>
<td>Impersonal</td>
<td>External</td>
<td>Somewhat external</td>
</tr>
<tr>
<td>Predicted attitudes</td>
<td>Negative</td>
<td>Negative</td>
<td>Negative</td>
</tr>
<tr>
<td>Predictability</td>
<td>Strong</td>
<td>Weak</td>
<td>Strong</td>
</tr>
<tr>
<td>Potential for satisfaction</td>
<td>Neither</td>
<td>Public</td>
<td>Public</td>
</tr>
<tr>
<td>Predictability difference</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Source: Author (by employing and revising the SDT heuristic of Ryan & Deci, 2000a, 2000b)

Intrinsic needs including responsibility and an ability for public service are located on the right side of this spectrum. This type of needs help people increase their internal locus of causality and hence generate strongly positive work motivational attitudes. A variety of extrinsic needs are in the middle of this spectrum. The locus of causality differs across these types of motivation – the need for advancement is associated somewhat with internal locus of causality, whereas the need for job security and salary is tied to external locus of causality. Consequently, they predict work motivational attitudes in different directions. People forced to work in limited job alternatives have impersonal locus of causality, which leads to the strongest negative work
motivational attitudes. In addition, the predictability does not differ across the public and the nonprofit sectors in this motivation category. By contrast, need-attitude relationships under both intrinsic and extrinsic motivation umbrella may differ in public and nonprofit agencies due to different potentials for need satisfaction.

Figure 4 A Conceptual Models for Hypothesis 3.1 ~ 3.6

Source: Author

3.4 Summary of this Chapter

In section 3.1, I discussed workers’ perceptions of red tape, formalized personnel rules, task clarity, risk taking, and top-down trust in public and nonprofit agencies. Because (1) these environmental features all determine one’s work motivational attitudes, and (2) they differ in the public and the nonprofit sector, I hypothesized that people in these two sectors exhibit different work motivational attitudes. Self-selection endorses this hypothesis as well. The emphasis of this section is oriented to how different sectoral environments shape their workers’ perceptions and thus determine their work motivational attitudes.
In section 3.2, I took “time” into account. Indeed, contemporary sectoral settings trigger environmental shaping, self-selection, and in turn lead to different work motivational attitudes in nonprofit and government agencies, but objective environments are merely one of the many factors determining work motivational attitudes. Perceptual bias nourished across time can lead one to evaluate their current environment differently. I investigated perceptual bias via the lens of sector switching and sector imprinting: people working in the same sectoral context may still exhibit an attitudinal gap when they have different sectoral experiences for their previous jobs.

In section 3.3, sectoral shaping no longer serves as a simple predictor. By looking at both micro and macro level variables, one may find that the public-nonprofit distinction moderates the impacts of need/values on work motivational attitudes. Some impacts appear to be stronger in the public sector and weaker in the nonprofit sector, and some are moderated reversely, depending on whether the likelihood that need satisfaction exists in these two sectors.

Testing contrast effect or sector imprinting effect has two important implications. On the first level, it reexamines specific environmental features in the public and the nonprofit sectors. If the government sector and the nonprofit sector are not different in nature, we would not witness any sector imprinting effect to occur. On the second level, it encourages managers in both the public and the nonprofit sectors to use caution in interpreting their employees’ evaluations on the current environments. To some degree, their evaluations reflect not only objective conditions but also subjective experiences. More specifically, it tests whether work motivational attitudes are formed through a macro-micro, objective-subjective, sectoral-individual, and shaping-reacting interactive process. I will proceed with hypothesis testing in the next chapter.
CHAPTER FOUR – STATISTICAL ANALYSIS

4.0 Layout of this Chapter

I will test my hypotheses in this chapter. Before conducting statistical analyses, a brief introduction of the dataset, measures, and descriptive statistics used in this study can assist in comprehending complicated statistical models. In section 4.1, I accordingly cover these topics. In section 4.2, I will test Hypothesis 1.1 ~ 1.5 – those concerning differences between public and nonprofit managers. The selection of methods is as important as statistical analyses because inappropriate methods often mislead one to make erroneous conclusions. Accordingly, I will describe the specific methods selected for my hypotheses. I will briefly introduce the following methods – univariate analysis of variance (ANOVA), multivariate analysis of covariance (MANCOVA), multivariate regression, hierarchical regression, and Sobel-Goodman mediation tests – before reporting statistical results. In section 4.3, I will test Hypothesis 2.1 ~ 2.2 – differences between switchers and non-switchers in both the public and the nonprofit sectors. Statistical methods employed in this section are identical to those used in section 4.2. In section 4.4, I will adopt ordinary least square (OLS) regression and dummy variable interaction to test how public-nonprofit sector affiliation moderates the relationships between individual needs and work motivational attitudes.

I provide summaries at the end of each section to assist readers navigate the statistical results and compare them to my hypothesis.
4.1 Data and Variables

I analyze my hypotheses by employing the National Administrative Studies Project-III (NASP-III) data. This study, according to the codebook, began as a project in a research design course at the Georgia institute of Technology taught by Barry Bozeman and Hal Rainey. All variables in this dissertation are selected from this database.

The history of NASP-III

The first NASP was produced in a 1992 doctoral seminar taught by Bozeman at Syracuse University’s Maxwell School. NASP-I was administrated to a sample of public and private managers in New York, Colorado, and Florida. NASP-II was developed with many similar themes with NASP-I such as organizational culture, formal rules, procedures, and public service. However, NASP-II focused solely on the public sector. It had a national focus and was restricted to state health and human service agencies.

NASP-III is unique in its attempt to blend the goals of NASP-I and NASP-II while supplementing a couple of new themes. NASP-III aims to collect data on public and nonprofit managers. It also expands beyond a single state but does not have a national focus (surveying managers in Georgia and Illinois). Different from NASP-II, which focuses on a single functionary agency (i.e. health and human services), the NASP-III sample includes managers from organizations of numerous functions. In short, the NASP-III survey seeks information from public and nonprofit managers including career histories, hiring practices, and organizational environment, which is compatible with the research questions of this dissertation.

Samples in the public sector

The population of NASP-III covers both the state of Georgia and Illinois. The population of public managers in Georgia was drawn from the list provided by the Department of Audit
(DoA), in which people who have been on a state agency’s payroll during 2003/2004 fiscal year were included. The NASP-III research group then excluded individuals working on commissions and in the governor’s office (too senior), eliminated irrelevant job titles, excluded employees who received less than $3408.88 per month (minimum monthly salary pay grade 017), and only selected job titles such as director, coordinator, and manager due to the interest in “management” positions. Finally, they drew a random sample of 1,000 individuals from the population of 6,161 (6,361 – 200 in the pretest) Georgia managers.

The population of public managers in Illinois was developed through a Freedom of Information Act request. One of the NASP-III researchers placed a request with the state of Illinois for a list of all state employees designated as either “senior public service administrators” or “public service administrators” in the spring of 2005. This list included 5,461 state employees. The NASP-III research group then drew a random sample of 1,300 individuals.

Samples in the nonprofit sector

The NASP-III research group purchased a list from Infocus Marketing, Inc. This list includes members of the American Society of Association Executives (ASAE) with titles such as operation managers, executive director, company president, development manager, education director, CEO, etc. This list provides 280 nonprofit managers from Georgia and 1048 from Illinois. Although purchasing the ASAE list is a convenient way to obtain contact information for a large number of nonprofit sector managers, it suffers from a self-selection problem, which is also a limitation of the NASP-III dataset.

Survey administration and final results

On the side of public sector managers, the pretest began in April 2005 and the first wave survey for respondents in both Georgia and Illinois followed in July. Between July 2005 and
May 2006, the NASP-III research group conducted surveys for three waves, within which 545 responses were collected in the first wave, 132 in the second wave, and 113 in the third wave. On the nonprofit side, the survey was also conducted in three different waves between September 2005 and June 2006. There were 266 responses in the first wave, 72 in the second, and 92 in the last wave. At the end of this survey, the NASP-III research group obtained 790 responses out of 1849 reduced N with a response rate of 43% (47% in Georgia and 38% in Illinois) for public sector respondents, 430 out of 1307 reduced N with a response rate of 33% (39% in Georgia and 31% in Illinois) for nonprofit sector respondents, and the overall response rate of 39% for their study.

**Advantages of using this dataset**

There are several advantages of using NASP-III database. First of all, although it does not have a national focus, the selected states – Georgia and Illinois – are strong representatives of the U.S. at large. Based on an analysis of U.S. Census Bureau data produced by the Associated Press, which ranks the 50 states and the District of Columbia according to how closely they resemble the country’s demographics in terms of race, age, income and education to immigration and the percentage of residents living in urban and rural areas, Illinois came out on top and Georgia was sixth because their racial, urban, and rural characteristics almost match that of the nation (Ohlemacher, 2007).

Second, these two states are distinctive in their traditions in public management, which reflects diverse cultural, political, and bureaucratic histories in different states. In the U.S., Georgia is the leading state for radical reform in governmental human resources such as cancellation of personnel classification system, dissolution of civil service, and at-will workers. By contrast, Illinois has a long tradition of strong union and centralized HRM.
Finally, nonprofit organizations in these two states are more prevalent than in many other states, according to the National Center for Charitable Statistics (NCCS, 2006). Based on their report in 2006, the overall distribution of nonprofit organizations in Illinois was 4.4% with total number of 59,861 in the nation and ranked sixth; in Georgia was 2.4% with total number of 33,051 in the nation and ranked fourteenth. The ranking of total assets in Illinois was fourth (176 billion) as compared to Georgia’s seventeenth (71 billion). Although Illinois prevails over Georgia in overall number and assets, the distribution of types in Georgia is more representative on nonprofit organizations, as Table 5 shows.

<table>
<thead>
<tr>
<th>Table 5</th>
<th>NPO types in Illinois, Georgia, and the US</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>IL</td>
</tr>
<tr>
<td>All Nonprofit Organizations</td>
<td>65,299</td>
</tr>
<tr>
<td>501(c)(3) Public Charities</td>
<td>35,164</td>
</tr>
<tr>
<td>501(c)(3) Private Foundations</td>
<td>5,449</td>
</tr>
<tr>
<td>Other 501(c) Nonprofit Organizations</td>
<td>24,686</td>
</tr>
<tr>
<td>501(c)(3) Public Charities</td>
<td>35,164</td>
</tr>
<tr>
<td>Reporting Public Charities</td>
<td>13,711</td>
</tr>
<tr>
<td>Operating Public Charities</td>
<td>11,510</td>
</tr>
<tr>
<td>Supporting Public Charities</td>
<td>2,201</td>
</tr>
<tr>
<td>Non-Reporting, or with less than $25,000 in Gross Receipts</td>
<td>21,453</td>
</tr>
<tr>
<td>Congregations (about half are registered with IRS)*</td>
<td>15,317</td>
</tr>
<tr>
<td>501(c)(3) Private Foundations</td>
<td>5,449</td>
</tr>
<tr>
<td>Private Grantmaking (Non-Operating) Foundations</td>
<td>5,292</td>
</tr>
<tr>
<td>Private Operating Foundations</td>
<td>157</td>
</tr>
<tr>
<td>Other 501(c) Nonprofit Organizations</td>
<td>24,686</td>
</tr>
<tr>
<td>Civic leagues, social welfare orgs, etc.</td>
<td>4,318</td>
</tr>
<tr>
<td>Fraternal beneficiary societies</td>
<td>6,462</td>
</tr>
<tr>
<td>Business leagues, chambers of commerce, etc.</td>
<td>4,648</td>
</tr>
<tr>
<td>Labor, agricultural, horticultural orgs</td>
<td>2,790</td>
</tr>
<tr>
<td>Social and recreational clubs</td>
<td>2,177</td>
</tr>
<tr>
<td>Post or organization of war veterans</td>
<td>1,987</td>
</tr>
<tr>
<td>All Other Nonprofit Organizations</td>
<td>2,304</td>
</tr>
</tbody>
</table>

Variables

Measures, descriptive statistics, and correlation matrix of variables used for this study are listed in Table 6, 7, and 8 respectively. The main dependent variable (DV) – work motivational attitudes – is measured by six independent items related to job involvement, job satisfaction, and organizational commitment. The six items are:

- Time seems to drag while I am on the job.
- It has been hard for me to get very involved in my current job.
- The most important things that happen to me involve my work.
- There are incentives for me to work hard in my job.
- I feel a sense of pride working for this organization.
- All in all, I am satisfied with my job.

While the first two items are commonly used in early motivation studies (Baldwin, 1984, 1990; Patchen, 1965; Wright, 2004), they have long served common measures of job involvement in much of the sociological and psychological research. The third question measures one’s work involvement, which is broader in scope than job involvement. Concerning the fourth question, it does not ask whether respondents really work hard or make their best effort but asks whether there are incentives for one to work hard. That is, this item is not used to measure one’s self-evaluation of personal work effort, but instead, used to assess whether one has a positive attitude toward the fit between individuals and environments (Blau, 1987). The fifth item is a typical question in measuring organizational commitment. The measurement of work motivation and organizational commitment can overlap in some way. An organizational commitment construct developed by Mowday & Steers (1979) encompassed the concept of work motivation in the first question, which was stated as “I am willing to put in a great deal of effort
beyond that normally expected in order to help this organization be successful.” The last item is used to acquire the overall level of job satisfaction. True, satisfaction measures ask about particular facts of the job (see Arvey, Bouchard, Segal, & Abraham, 1989 for an example), but one can often find an item asking one’s general job satisfaction in relevant studies. Job satisfaction and performance are often mutually reinforced (Judge, Thoresen, Bono, & Patton, 2001).

Each item is measured by a 1-4 ordinal scale question in which 4 refers to strongly agree and 1 refers to strongly disagree. By obtaining enough internal reliability (Cronbach’s alpha = .76), I add these six variables together and create an aggregate and integrated construct of work motivational attitudes.

The secondary dependent variables (mediators) pertain to managers’ perceived environmental features such as task clarity, formalization of personnel rules, red tape, and a risk-trust culture. Items used to measure these features, identical to those of main dependent variable, are 1-4 ordinal scale questions in which 4 refers to strongly agree and 1 refers to strongly disagree. Task clarity is measured by only one question item “most employees are clear about the tasks that they are expected to perform.” Formalization of personnel rules is the combination of three different items including rules regulating pay, promotion, and layoff (Cronbach’s alpha = .66). The measure of red tape is based on a single 0-10 item asking “how would you assess the level of red tape in your organization.” A risk-trust culture is also a combination of three different items, which attach to top management’s risk-taking willingness, employees’ risk-taking willingness, and top-down trust (Cronbach’s alpha = .72). Testing hypothesis 1 and 2 will require the use of these sets of variables.
The main independent variables (IVs) for hypothesis 1 and 2 include public-nonprofit affiliation and switching. Public-nonprofit affiliation is measured on a dichotomous scale and titled “NPO dummy” in which nonprofit respondents are coded as 1 and public respondents are coded as 0. After examining the NASP-III data and codebook, I found that 43 out of 1220 respondents were categorized “private” instead of public or nonprofit. I recoded them as missing values, so the total sample included 1177 respondents from public (802) and nonprofit (375) organizations.

While public-nonprofit dummy is the main independent/grouping variable in testing hypothesis 1, testing hypothesis 2 requires sector switching variables. Sector switching variables are obtained from a series of job history questions. In NASP-III, respondents were first asked to circle their current organization type (i.e. private, nonprofit, or public), main responsibility, and whether this position is an upward move or a lateral move. After this set of questions, they were asked the same questions for their “job held immediately before the current job.” By considering the current and the previous job concurrently, I obtained different types of sector switching variables. Although the discussion of sector switching from the private sector is beyond the scope of this dissertation, failing to include it will bias my analyses. After controlling private sector switching, I obtained the following variables: (1) All_sector_switching is a categorical variable which includes, first, switchers from the private sector, the nonprofit sector, and non-switchers in the public sector, and second, switchers from the private sector, the public sector, and non-switchers in the nonprofit sector; (2) FPO-GOV, NPO-GOV, and GOV-GOV are dichotomous variables which represent switchers from the private sector, switchers from the nonprofit sector, and non-switchers in the public sector respectively; (3) FPO-NPO, NPO-NPO,
GOV-NPO are dichotomous variables which represent switchers from the private sector, switchers from the nonprofit sector, and non-switchers in the nonprofit sector respectively.

Testing hypothesis 3 required the use of both public-nonprofit sectoral dummy variables and six different variables measuring personal needs/values. The NASP-III research group measures different needs/values by using an independent section titled “please indicate the extent to which the factors below were important in making your decision to take a job at your current organization.” Respondents were asked to circle from “4 very important” to “1 not important” for different items. I include six items which fit my research hypotheses 3.1 ~ 3.6. They are: (1) few, if any, alternative job offers, (2) salary, (3) job security, (4) opportunity for advancement within the organization, (5) desire for increased responsibility, and (6) ability to serve the public and the public interest.

In addition to sectoral and personal level variables, I include three covariates (control variables): age, manager, and religion. It is believed that a religious person tends to have higher Protestant work ethic (i.e. emphasis on the necessity for hard work is proponent of a person's calling), perceive a more work-friendly environment, and consequently have more positive work motivational attitudes. Older people and managers, who are successful survivors in organizations, may have similar perceptions and feelings. All variables and measures are listed in Table 6 and descriptive statistics of these variables are listed in Table 7. Correlation matrix, a convenient tool for judging collinearity, is reported in Table 8. Environmental features belonging to sectoral contexts such as red tape, risk-trust culture, and formalization are more highly correlated (coefficients larger than 0.5).
<table>
<thead>
<tr>
<th>Variables</th>
<th>Questions</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Main dependent variable: Work motivational attitudes</strong></td>
<td>It has been hard for me to get involved in my job (reverse).</td>
<td>4 = strongly agree 1 = strongly disagree</td>
</tr>
<tr>
<td></td>
<td>Time seems to drag while I am on the job (reverse).</td>
<td></td>
</tr>
<tr>
<td></td>
<td>All in all, I am satisfied with my job.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I feel a sense of pride working for this organization.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>There are incentives for me to work hard in my job.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The most important things that happen to me involve my work.</td>
<td></td>
</tr>
<tr>
<td><strong>Environmental feature variables (mediators)</strong></td>
<td>Task clarity Most employees are clear about the tasks that they are expected to perform.</td>
<td>4 = strongly agree 1 = strongly disagree</td>
</tr>
<tr>
<td></td>
<td>Formalization in personnel rules Because if the rules here, promotions are based mainly on performance (reverse).</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Even if a manager is a poor performer, formal rules make it hard to remove him/her from the organization.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The formal pay structures and rules make it hard to reward a good employee with higher pay here.</td>
<td></td>
</tr>
<tr>
<td><strong>Risk-trust aversion</strong></td>
<td>Employees in this organization are afraid to take risks Top management in this organization is afraid to take risks.</td>
<td>4 = strongly agree 1 = strongly disagree</td>
</tr>
<tr>
<td></td>
<td>Top management displays a high level of trust in this organization’s employees (reverse).</td>
<td></td>
</tr>
<tr>
<td><strong>Red tape</strong></td>
<td>How would you assess the level of red tape in your organization?</td>
<td>0 – 10, and 10 is the strongest</td>
</tr>
<tr>
<td><strong>Sectoral affiliation and switching variables</strong></td>
<td>NPO dummy</td>
<td>Current public-nonprofit sector affiliation</td>
</tr>
<tr>
<td></td>
<td>All sector switching</td>
<td>1 = FPO-GOV 2 = NPO-GOV 3 = GOV-GOV 4 = FPO-NPO 5 = NPO-NPO 6 = GOV-NPO</td>
</tr>
<tr>
<td></td>
<td>GOV – GOV</td>
<td>Non-switchers in the government</td>
</tr>
<tr>
<td></td>
<td>NPO – GOV</td>
<td>Switchers from nonprofit to public organizations</td>
</tr>
<tr>
<td></td>
<td>FPO – GOV</td>
<td>Switchers from private to public organizations</td>
</tr>
<tr>
<td></td>
<td>NPO – NPO</td>
<td>Non-switchers in nonprofit organizations</td>
</tr>
<tr>
<td></td>
<td>GOV – NPO</td>
<td>Switchers from public to nonprofit organizations</td>
</tr>
<tr>
<td></td>
<td>FPO – NPO</td>
<td>Switchers from private to nonprofit organizations</td>
</tr>
<tr>
<td><strong>Personal needs</strong></td>
<td>Need for a job</td>
<td>Few, if any, alternative jobs</td>
</tr>
<tr>
<td></td>
<td>Need for salary</td>
<td>Salary</td>
</tr>
<tr>
<td></td>
<td>Need for job security</td>
<td>Job security</td>
</tr>
<tr>
<td></td>
<td>Need for advancement</td>
<td>Opportunity for advancement in the organization hierarchy</td>
</tr>
<tr>
<td></td>
<td>Need for responsibility</td>
<td>Desire for increased responsibility</td>
</tr>
<tr>
<td></td>
<td>Need for public service</td>
<td>Ability to serve the public and the public interest</td>
</tr>
<tr>
<td><strong>Covariates/Control variables</strong></td>
<td>Age</td>
<td>Current year – Year of birth = Age</td>
</tr>
<tr>
<td></td>
<td>Manager</td>
<td>Current main responsibility is a manager</td>
</tr>
<tr>
<td></td>
<td>Religion</td>
<td>Currently a member of church, synagogue, mosque, or religious organization</td>
</tr>
</tbody>
</table>

Source: Author
Table 7 Descriptive statistics

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Work motivational attitudes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Time seems to drag while I am on the job (reverse).</td>
<td>1206</td>
<td>3.42</td>
<td>0.77</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>It has been hard for me to get involved in my job (reverse).</td>
<td>1208</td>
<td>3.63</td>
<td>0.72</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>All in all, I am satisfied with my job.</td>
<td>1207</td>
<td>3.34</td>
<td>0.76</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>The most important things that happen to me involve my work.</td>
<td>1206</td>
<td>2.22</td>
<td>0.86</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>I feel a sense of pride working for this organization.</td>
<td>1209</td>
<td>3.34</td>
<td>0.76</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>There are incentives for me to work hard in my job.</td>
<td>1208</td>
<td>2.33</td>
<td>1.02</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td><strong>Environmental features</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1) Task clarity</td>
<td>1202</td>
<td>3.11</td>
<td>0.77</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>(2) Formalization</td>
<td>1191</td>
<td>8.46</td>
<td>2.33</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td>(3) Risk-trust aversion</td>
<td>1192</td>
<td>7.11</td>
<td>2.20</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td>(4) Red tape</td>
<td>1193</td>
<td>6.03</td>
<td>2.68</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td><strong>Sectoral affiliation and switching</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public-Nonprofit</td>
<td>1177</td>
<td>0.32</td>
<td>0.47</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>FPO-GOV</td>
<td>1118</td>
<td>0.09</td>
<td>0.28</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>NPO-GOV</td>
<td>1118</td>
<td>0.02</td>
<td>0.15</td>
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<td>1</td>
</tr>
<tr>
<td>GOV-GOV</td>
<td>1118</td>
<td>0.58</td>
<td>0.49</td>
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<td>1</td>
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<tr>
<td>FPO-NPO</td>
<td>1118</td>
<td>0.07</td>
<td>0.25</td>
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<td>NPO-NPO</td>
<td>1118</td>
<td>0.22</td>
<td>0.41</td>
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<td>GOV-NPO</td>
<td>1118</td>
<td>0.03</td>
<td>0.16</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td><strong>Personal needs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Need for a job</td>
<td>1194</td>
<td>1.97</td>
<td>1.03</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Need for salary</td>
<td>1201</td>
<td>3.28</td>
<td>0.73</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Need for job security</td>
<td>1206</td>
<td>3.36</td>
<td>0.84</td>
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Source: Author
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<td>-0.15</td>
<td>0.19</td>
<td>-0.02</td>
<td>-0.09</td>
<td>-0.10</td>
<td>0.02</td>
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<td>-0.05</td>
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<td>(19) Manager</td>
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<td>0.04</td>
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<td>(20) Age</td>
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<td>-0.13</td>
<td>0.08</td>
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<td>(21) Religion</td>
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<td>0.02</td>
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<td>0.09</td>
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<td>0.02</td>
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<td>0.00</td>
<td>0.05</td>
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</table>

Source: Author

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4.2 Testing Hypothesis One

Univariate Analyses for public and nonprofit managers

The main concerns for hypotheses 1.1 ~ 1.4 are possible differences of task clarity, formalization in personnel rules, risk aversion, and red tape between public and nonprofit organizations. If differences are found, work motivational attitudes could accordingly differ due to environmental shaping, as I addressed in hypothesis 1.5. I first tested public-nonprofit difference of means for each item by using Analysis of Variance (ANOVA) and reported results in Table 9. It is obvious that public managers perceive more formalization, risk aversion, and red tape than do nonprofit managers, which support my hypotheses 1.2 ~ 1.4. Surprisingly, nonprofit managers perceive more task clarity than do public managers, which is in conflict with my hypothesis 1.1. Results here imply that nonprofit managers may have more positive work motivational attitudes than do public managers due to a more favorable environment.

Table 9 Mean characteristics of public-nonprofit managers

<table>
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<tr>
<th></th>
<th>GOV</th>
<th>NPO</th>
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<tr>
<td></td>
<td>N</td>
<td>Mean</td>
</tr>
<tr>
<td><strong>Environmental features</strong></td>
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<td></td>
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<tr>
<td>(1) Task clarity (1-4)</td>
<td>794</td>
<td>3.05</td>
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<tr>
<td>(2) Formalization (3-12)</td>
<td>793</td>
<td>9.48</td>
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<td>(3) Risk-trust aversion (3-12)</td>
<td>786</td>
<td>7.05</td>
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<tr>
<td>(4) Red tape (0-10)</td>
<td>784</td>
<td>7.74</td>
</tr>
<tr>
<td><strong>Work motivational attitudes (6-24)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Time seems to drag while I am on the job (reverse).</td>
<td>798</td>
<td>3.31</td>
</tr>
<tr>
<td>It has been hard for me to get involved in my job (reverse).</td>
<td>799</td>
<td>3.57</td>
</tr>
<tr>
<td>All in all, I am satisfied with my job.</td>
<td>798</td>
<td>3.21</td>
</tr>
<tr>
<td>The most important things that happen to me involve my work.</td>
<td>797</td>
<td>2.11</td>
</tr>
<tr>
<td>I feel a sense of pride working for this organization.</td>
<td>800</td>
<td>3.18</td>
</tr>
<tr>
<td>There are incentives for me to work hard in my job.</td>
<td>799</td>
<td>2.03</td>
</tr>
</tbody>
</table>

Source: Author
I tested difference of means for six independent items used to measure work motivational attitudes. As I expected, they differed significantly between public and nonprofit managers, and of course, the aggregate measure differed as well. The results here support my hypothesis 1.5, which indicates that public managers are less likely to have positive work motivational attitudes than nonprofit managers.

Because task clarity, red tape, formalization, and risk aversion are often highly correlated (please refer to Michaels, Cron, Dubinsky, & Joachimsthaler, 1988; Pandey & Rainey, 2006; Pandey & Wright, 2006; Rainey, Pandey, & Bozeman, 1995 for examples; also refer to Table 8, correlation matrix), and therefore univariate analysis fails to consider these correlations and their influences on public-nonprofit comparison. Examining difference of means also implies the exclusion of covariates or control variables. Finally, mediated relationships for task clarity, formalization, red tape, and risk-trust aversion between public-nonprofit affiliation and work motivational attitudes cannot be revealed in univariate analyses. One may be informed that Multivariate Analysis of Covariance (MANCOVA), multivariate regression, and mediation tests can simultaneously take these critical elements (correlations among environmental features, control variables, and mediation effects) into account and thus adequately model variable relationships.

**Multivariate analyses for environmental features**

Therefore, a one-way MANCOVA was computed for these four environmental features with manager, age, and religion as covariates (see Table 10). The omnibus F-test indicates that this set of variables vary significantly between public and nonprofit managers, \( F (16, 3388.7) = 46.35, p < 0.00 \) for Wilk’s lambda. All control variables are statistically significant under the 95% confidence level.
Table 10  MANCOVA for environmental features (IV: NPO dummy)

<table>
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<tr>
<th></th>
<th>df</th>
<th>F (df1, df2)</th>
<th>F</th>
<th>Sig of F</th>
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<td>4,1109</td>
<td>189.59</td>
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</tr>
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<td>Manager</td>
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<td>4,1109</td>
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<td>0.00</td>
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<tr>
<td>Age</td>
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<td>4,1109</td>
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<td>Religion</td>
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<tr>
<td>Total</td>
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</table>

Source: Author

Results of multivariate regression (see Table 11) reveal a similar message: the NPO dummy is still statistically significant in models for task clarity, formalization, red tape, and risk-trust culture with added controls. It is worth noting that task clarity is measured by a 1-4 ordinal item, so I ran an ordinal probit regression for task clarity and obtained closely similar $p$ values for all independent and control variables.

Table 11  Multivariate regression for environmental features (IV: NPO dummy)

<table>
<thead>
<tr>
<th></th>
<th>Task clarity</th>
<th>Formalization</th>
<th>Red tape</th>
<th>Risk-trust aversion</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$B$</td>
<td>$p$</td>
<td>$B$</td>
<td>$p$</td>
</tr>
<tr>
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<td>0.01</td>
<td>-2.97</td>
<td>0.00</td>
</tr>
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<td>Manager</td>
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<td>0.00</td>
<td>-0.39</td>
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<tr>
<td>Age</td>
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<td>0.09</td>
<td>-0.01</td>
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<tr>
<td>Religion</td>
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<td>N</td>
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<td>1117</td>
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<td>R square</td>
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</tbody>
</table>

Source: Author

After being informed that perceived task clarity, formalization, red tape, and risk-trust aversion are different between public and nonprofit managers, I attended the mediation effects of
these features between sector affiliation and work motivational attitudes. In other words, I will test which environmental feature is most critical in determining the gap of work motivational attitudes between public and nonprofit sector managers. Hierarchical regression and a Sobel-Goodman mediation test are necessary tools for obtaining the answers.

**Hierarchical regression analysis for work motivational attitudes**

The advantages of hierarchical regression are two folds. First, it reveals whether the secondary level IVs mediate the main IV, and this reflects on the main IV’s decrease of significance. Second, it reveals the increase of explanatory power brought by secondary level IVs, which reflects on the change of adjusted R square. I ran hierarchical regression with the public-nonprofit dummy as the main IV and the aggregate item of work motivational attitudes as the DV. I found that the public-nonprofit dummy is a statistically significant predictor for work motivational attitudes (see table 12).

<p>| Table 12 Hierarchical regression for work motivational attitudes (IV: NPO dummy) |</p>
<table>
<thead>
<tr>
<th>DV: Work motivational attitudes</th>
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<td>Risk-trust aversion</td>
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<td>--</td>
<td>-0.57</td>
<td>0.00</td>
</tr>
<tr>
<td>Manager</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>0.30</td>
</tr>
<tr>
<td>Age</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Religion</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Constant</td>
<td>17.41</td>
<td>0.00</td>
<td>22.36</td>
<td>0.00</td>
</tr>
<tr>
<td>N</td>
<td>1157</td>
<td>1124</td>
<td>1109</td>
<td></td>
</tr>
<tr>
<td>R square</td>
<td>0.125</td>
<td>0.372</td>
<td>0.381</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author
By controlling task clarity, formalization, red tape, and risk-trust culture, I found that the coefficient of public-nonprofit dummy dropped from 2.52 to 0.64, an indication of mediation effects. In the meantime, the adjusted R square increased 0.247. Although the significance of red tape is below the 95% confidence level, collinearity among controls could be the main reason leading to this problem. I report the variance inflation factors (VIFs) in Table 13. The results show that collinearity should not be a serious concern for my regression results.

<table>
<thead>
<tr>
<th>Variable</th>
<th>VIF</th>
<th>1/VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formalization</td>
<td>2.26</td>
<td>0.44</td>
</tr>
<tr>
<td>Risk-trust aversion</td>
<td>2.02</td>
<td>0.50</td>
</tr>
<tr>
<td>Red tape</td>
<td>2.00</td>
<td>0.50</td>
</tr>
<tr>
<td>NPO dummy</td>
<td>1.80</td>
<td>0.56</td>
</tr>
<tr>
<td>Task clarity</td>
<td>1.19</td>
<td>0.84</td>
</tr>
<tr>
<td>Manager</td>
<td>1.09</td>
<td>0.91</td>
</tr>
<tr>
<td>Religion</td>
<td>1.05</td>
<td>0.96</td>
</tr>
<tr>
<td>Age</td>
<td>1.04</td>
<td>0.97</td>
</tr>
<tr>
<td>Mean VIF</td>
<td>1.55</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author

**Sobel-Goodman mediation tests for work motivational attitudes**

A variable may be considered a mediator when it carries the influence of an IV to a given DV (R. M. Baron & Kenny, 1986; Mackinnon & Dwyer, 1993; Shrout & Bolger, 2002). Mediation occurs when the IV significantly predicts the mediator and the mediator significantly predicts the DV. However, the perquisite is that the IV should significantly affect the DV in the absence of the mediator (R. M. Baron & Kenny, 1986; Preacher & Leonardelli, 2006). If the significant effect of the IV on the DV shrinks with the appearance of the mediator, while the
statistical significance still maintains, we understand it as partial mediation. If the significance disappears, we understand it as full mediation.\textsuperscript{10}

I conducted four individual mediation tests with DV as the aggregate item of work motivational attitudes, IV as the public-nonprofit dummy, and four environmental features (task clarity, formalization, red tape, and risk-trust aversion) as mediators (see Figure 5). Results of mediation tests show that perceived formalization of personnel rules is the most influential mediator, which mediates the effect of public-nonprofit dummy on work motivational attitudes by 73\%.\textsuperscript{11} Red tape and risk-trust aversion are medium level mediators, which mediate the effect by 49\% and 55\% respectively. Task clarity is the least important mediator, which mediates the effect only by 9\%. Overall, 75\% of the impact generated by public-nonprofit dummy on work motivational attitudes is mediated by these four mediators.

Summary

In sum, univariate analyses and multivariate analyses both support my hypotheses that formalization of personnel rules, red tape, and risk-trust culture are more favorable in the nonprofit sector than in the public sector. Task clarity, beyond my expectation, does not distribute equally in public and nonprofit organizations: nonprofit managers tend to perceive clearer tasks than do public managers. All these environmental differences contribute to a gap of work motivational attitudes between public and nonprofit managers – managers in the nonprofit sector tend to be more involved in their work, satisfied with their job, and committed to their organizations as compared to their public counterparts. Among these four features, formalization

\textsuperscript{10} The standard Sobel-Goodman mediation test formula is \( z\text{-value} = \frac{a \times b}{\sqrt{b^2 \times s_a^2 + a^2 \times s_b^2}} \), in which “a” and “b” denote coefficients and \( s \) denotes standard error (Preacher & Leonardelli, 2006).

\textsuperscript{11} Mediation effect is the decreased ratio of coefficient.
of personnel rules prove to be the most influential mediator whereas task clarity is the least important one.

**Figure 5  Mediation heuristics and Sobel-Goodman test results**

Source: Author
**Table 14 Summary for testing results: Hypothesis 1.1 - 1.5**

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Anticipated relationships</th>
<th>Actual relationships</th>
<th>Mediation effects between sector and work motivational attitudes</th>
</tr>
</thead>
<tbody>
<tr>
<td>(H1.1) Task clarity</td>
<td>GOV = NPO</td>
<td>GOV &lt; NPO</td>
<td>9.49 %</td>
</tr>
<tr>
<td>(H1.2) Formalization</td>
<td>GOV &gt; NPO</td>
<td>GOV &gt; NPO</td>
<td>73.12 %</td>
</tr>
<tr>
<td>(H1.3) Red tape</td>
<td>GOV &gt; NPO</td>
<td>GOV &gt; NPO</td>
<td>49.41 %</td>
</tr>
<tr>
<td>(H1.4) Risk-trust aversion</td>
<td>GOV &gt; NPO</td>
<td>GOV &gt; NPO</td>
<td>54.94 %</td>
</tr>
<tr>
<td>Overall mediation effect</td>
<td></td>
<td></td>
<td>74.60 %</td>
</tr>
<tr>
<td>(H1.5) Positive work motivational attitudes</td>
<td>GOV &lt; NPO</td>
<td>GOV &lt; NPO</td>
<td>--</td>
</tr>
</tbody>
</table>

Source: Author

### 4.3 Testing Hypothesis Two

According to MANCOVA, multiple regression, and OLS hierarchical regression results with the public-nonprofit dummy as the main IV, different perceived task clarity, red tape, formalization, and risk-trust culture between public and nonprofit managers imply objectively uneven distribution of these features in the public and the nonprofit sectors. Those who have had working experience in other sectors may have different standards of evaluation from people working in the same sector over their entire career, assuming that arguments about contrast effect and sectoral socialization are true.

**Univariate analyses for switchers and non-switchers**

In order to test whether switchers and non-switchers in the public and the nonprofit sectors place different evaluations on task clarity, red tape, formalization, and risk-trust culture and thus exhibit gaps in work motivational attitudes, I tested their mean differences (see Table 15 & 16).
Table 15  Mean characteristics of switchers and non-switchers in the public sector

<table>
<thead>
<tr>
<th>Environmental features</th>
<th>N</th>
<th>Mean</th>
<th>N</th>
<th>Mean</th>
<th>Gap</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Task clarity (1-4)</td>
<td>27</td>
<td>2.74</td>
<td>638</td>
<td>3.10</td>
<td>-0.36</td>
<td>0.02</td>
</tr>
<tr>
<td>(2) Formalization (3-12)</td>
<td>27</td>
<td>9.52</td>
<td>637</td>
<td>9.43</td>
<td>0.09</td>
<td>0.78</td>
</tr>
<tr>
<td>(3) Risk-trust aversion (3-12)</td>
<td>27</td>
<td>7.30</td>
<td>631</td>
<td>7.02</td>
<td>0.28</td>
<td>0.51</td>
</tr>
<tr>
<td>(4) Red tape (0-10)</td>
<td>26</td>
<td>7.96</td>
<td>630</td>
<td>7.74</td>
<td>0.22</td>
<td>0.59</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Work motivational attitudes (6-24)</th>
<th>N</th>
<th>Mean</th>
<th>N</th>
<th>Mean</th>
<th>Gap</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time seems to drag while I am on the job (reverse).</td>
<td>27</td>
<td>3.00</td>
<td>641</td>
<td>3.34</td>
<td>-0.34</td>
<td>0.03</td>
</tr>
<tr>
<td>It has been hard for me to get involved in my job (reverse).</td>
<td>27</td>
<td>3.30</td>
<td>642</td>
<td>3.59</td>
<td>-0.29</td>
<td>0.04</td>
</tr>
<tr>
<td>All in all, I am satisfied with my job.</td>
<td>27</td>
<td>3.04</td>
<td>641</td>
<td>3.24</td>
<td>-0.20</td>
<td>0.19</td>
</tr>
<tr>
<td>The most important things that happen to me involve my work.</td>
<td>27</td>
<td>2.00</td>
<td>640</td>
<td>2.11</td>
<td>-0.11</td>
<td>0.50</td>
</tr>
<tr>
<td>I feel a sense of pride working for this organization.</td>
<td>27</td>
<td>3.07</td>
<td>643</td>
<td>3.21</td>
<td>-0.14</td>
<td>0.41</td>
</tr>
<tr>
<td>There are incentives for me to work hard in my job.</td>
<td>27</td>
<td>2.07</td>
<td>643</td>
<td>2.04</td>
<td>0.03</td>
<td>0.87</td>
</tr>
</tbody>
</table>

Source: Author

Table 16  Mean characteristics of switchers and non-switchers in the nonprofit sector

<table>
<thead>
<tr>
<th>Environmental features</th>
<th>N</th>
<th>Mean</th>
<th>N</th>
<th>Mean</th>
<th>Gap</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Task clarity (1-4)</td>
<td>29</td>
<td>3.41</td>
<td>239</td>
<td>3.19</td>
<td>0.22</td>
<td>0.11</td>
</tr>
<tr>
<td>(2) Formalization (3-12)</td>
<td>29</td>
<td>5.41</td>
<td>233</td>
<td>6.54</td>
<td>-1.13</td>
<td>0.00</td>
</tr>
<tr>
<td>(3) Risk-trust aversion (3-12)</td>
<td>29</td>
<td>2.45</td>
<td>238</td>
<td>4.30</td>
<td>-2.05</td>
<td>0.00</td>
</tr>
<tr>
<td>(4) Red tape (0-10)</td>
<td>29</td>
<td>4.79</td>
<td>239</td>
<td>6.03</td>
<td>-1.24</td>
<td>0.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Work motivational attitudes (6-24)</th>
<th>N</th>
<th>Mean</th>
<th>N</th>
<th>Mean</th>
<th>Gap</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time seems to drag while I am on the job (reverse).</td>
<td>29</td>
<td>3.83</td>
<td>239</td>
<td>3.60</td>
<td>0.23</td>
<td>0.07</td>
</tr>
<tr>
<td>It has been hard for me to get involved in my job (reverse).</td>
<td>29</td>
<td>3.93</td>
<td>239</td>
<td>3.75</td>
<td>0.18</td>
<td>0.14</td>
</tr>
<tr>
<td>All in all, I am satisfied with my job.</td>
<td>29</td>
<td>3.76</td>
<td>239</td>
<td>3.56</td>
<td>0.20</td>
<td>0.12</td>
</tr>
<tr>
<td>The most important things that happen to me involve my work.</td>
<td>29</td>
<td>2.66</td>
<td>239</td>
<td>2.41</td>
<td>0.25</td>
<td>0.12</td>
</tr>
<tr>
<td>I feel a sense of pride working for this organization.</td>
<td>29</td>
<td>3.90</td>
<td>239</td>
<td>3.67</td>
<td>0.23</td>
<td>0.02</td>
</tr>
<tr>
<td>There are incentives for me to work hard in my job.</td>
<td>29</td>
<td>2.93</td>
<td>239</td>
<td>2.87</td>
<td>0.06</td>
<td>0.73</td>
</tr>
</tbody>
</table>

Source: Author
Switchers from the private sector (FPO-GOVers and FPO-NPOers) are beyond the scope of this study and will not be discussed. Among public managers (Table 15), those who switched from the nonprofit sector (NPO-GOVers) tend to perceive more task ambiguity than do non-switchers (GOV-GOVers). Formalization, risk-trust aversion, and red tape differ little between these two groups of people. NPO-GOVers also reported lower scores on their work motivational attitudes than GOV-GOVers in the first two items, but in general the difference is not statistically significant. In the nonprofit sector (Table 16), switchers from the government (GOV-NPOers) are more likely than non-switchers (NPO-NPOers) to perceive less formalization, risk-trust aversion, and red tape. The difference in task clarity is not conspicuous. Probably due to their perceptual differences, those who have had public sector experience in their previous job placed more positive evaluations on work motivational attitudes, although individual items do not reveal much contrast.

**Multivariate analyses for environmental features**

Multivariate analyses are more desirable than mean comparison, as I addressed earlier, in such a way that correlations among DVs and control variables are simultaneously considered. I employed multivariate regression analysis to test (1) whether NPO-GOVers have different perceived task clarity, red tape, formalization, and risk-trust culture as compared to GOV-GOVers and (2) whether GOV-NPOers have different perceived task clarity, red tape, formalization, and risk-trust culture as compared to NPO-NPOers. In the first regression model, I treated the nonprofit sector as the base and included FPO-GOV, NPO-GOV, and GOV-GOV as IVs in order to avoid the problem of multicollinearity. In the second model, I treated the public sector as the base and included FPO-NPO, NPO-NPO, and GOV-NPO as IVs (see Figure 6). In both regression models, I controlled for manager, age, and religion.
Regression results for public managers (switching to GOV model) are reported in Table 17. After controlling age, manager, and religion, I found that NPO-GOVers could be more likely than GOV-GOVers to perceive more formalization (2.98 and 2.90), red tape (3.20 and 2.92), and risk-trust aversion (1.80 and 1.73), but the differences were not salient. In contrast, the gap of task clarity seems to be greater between these two groups of people. I thereby set the null hypothesis as Ho: NPO-GOV = GOV-GOV and conducted post-regression tests. Results indicate that NPO-GOVers and GOV-GOVers may perceive different levels of task clarity, but their perceived red tape, formalization, and risk-trust aversion do not differ that much.\textsuperscript{12} In sum, results from multivariate regression analyses are the counterpart of previous univariate analyses: perceived task clarity, among others, is the only environmental feature that differs between NPO-GOVers and GOV-GOVers.

\textsuperscript{12} I conducted ordinal logit regression analysis for task clarity, tested group difference, and found similar results.
Table 17 Multivariate regression for environmental features (IVs: Switching to GOV)

<table>
<thead>
<tr>
<th></th>
<th>Task clarity</th>
<th>Formalization</th>
<th>Red tape</th>
<th>Risk-trust aversion</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>p</td>
<td>B</td>
<td>p</td>
</tr>
<tr>
<td>FPO-GOV</td>
<td>-0.22</td>
<td>0.02</td>
<td>3.26</td>
<td>0.00</td>
</tr>
<tr>
<td>NPO-GOV</td>
<td>-0.39</td>
<td>0.01</td>
<td>2.98</td>
<td>0.00</td>
</tr>
<tr>
<td>GOV-GOV</td>
<td>-0.06</td>
<td>0.22</td>
<td>2.90</td>
<td>0.00</td>
</tr>
<tr>
<td>Manager</td>
<td>0.21</td>
<td>0.00</td>
<td>-0.40</td>
<td>0.00</td>
</tr>
<tr>
<td>Age</td>
<td>0.01</td>
<td>0.03</td>
<td>-0.01</td>
<td>0.07</td>
</tr>
<tr>
<td>Religion</td>
<td>0.06</td>
<td>0.20</td>
<td>-0.41</td>
<td>0.00</td>
</tr>
<tr>
<td>Constant</td>
<td>2.68</td>
<td>0.00</td>
<td>7.69</td>
<td>0.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>N</th>
<th>R square</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1067</td>
<td>0.040</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1067</td>
<td>0.391</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1067</td>
<td>0.273</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1067</td>
<td>0.183</td>
</tr>
</tbody>
</table>

Post regression tests (Ho: NPO-GOV = GOV-GOV)

<table>
<thead>
<tr>
<th></th>
<th>F (1, 1060)</th>
<th>Significance of F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Task clarity</td>
<td>4.67</td>
<td>0.03</td>
</tr>
<tr>
<td>Formalization</td>
<td>0.06</td>
<td>0.81</td>
</tr>
<tr>
<td>Red tape</td>
<td>0.39</td>
<td>0.53</td>
</tr>
<tr>
<td>Risk-trust culture</td>
<td>0.30</td>
<td>0.86</td>
</tr>
</tbody>
</table>

Source: Author

Table 18 shows the results for nonprofit managers (switching to NPO model). Identically, I set the null hypothesis as Ho: NPO-NPO = GOV-NPO and conducted post regression analyses. Results indicate that GOV-NPOers and NPO-NPOers may perceive different levels of red tape, formalization, and risk-trust aversion, but the perceived task clarity differs little.13 Findings in multivariate regression underpin ANOVA results in such a way that perceived task clarity, among others, is the only environmental feature that does not differ between NPO-GOVers and GOV-GOVers.

---

13 I conducted ordinal logit regression analysis for task clarity, tested group difference, and found similar results.
Pre-mediation regression for work motivational attitudes

Results for both public and nonprofit managers are reported in Table 19. A salient gap of coefficients between NPO-GOV (B = -3.43) and GOV-GOV (B = -2.38) can be observed. A post-regression test is required to determine whether NPO-GOVers and GOV-GOVers have different levels of work motivational attitudes. I set the null hypothesis as Ho: NPO-GOV = GOV-GOV and found that the F value reaches the 90% significance level but not 95% level (p = 0.08). In other words, one can still argue with 90% confidence that NPO-GOVers are more likely than GOV-GOVers to demonstrate more negative work motivational attitudes. In the nonprofit model, I observed a gap of coefficients between NPO-NPO (B = 2.47) and GOV-NPO (B = 3.61). I conducted a post-regression test to determine whether NPO-GOVers and GOV-GOVers have different levels of work motivational attitudes. I set the null hypothesis as Ho:
NPO-NPO = GOV-NPO and found that the F value approaches 95\% level ($p = 0.06$). In other words, GOV-NPOers are more likely than NPO-NPOers to have more positive work motivational attitudes.

### Table 19 Pre-mediation regression for work motivational attitudes

<table>
<thead>
<tr>
<th></th>
<th>B</th>
<th>p</th>
<th>B</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>FPO-GOV</td>
<td>-3.24</td>
<td>0.00</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>NPO-GOV</td>
<td>-3.43</td>
<td>0.00</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>GOV-GOV</td>
<td>-2.38</td>
<td>0.00</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>FPO-NPO</td>
<td>--</td>
<td>--</td>
<td>2.29</td>
<td>0.00</td>
</tr>
<tr>
<td>NPO-NPO</td>
<td>--</td>
<td>--</td>
<td>2.47</td>
<td>0.00</td>
</tr>
<tr>
<td>GOV-NPO</td>
<td>--</td>
<td>--</td>
<td>3.61</td>
<td>0.00</td>
</tr>
<tr>
<td>Constant</td>
<td>19.91</td>
<td>0.00</td>
<td>17.39</td>
<td>0.00</td>
</tr>
<tr>
<td>N</td>
<td>1102</td>
<td></td>
<td>1102</td>
<td></td>
</tr>
<tr>
<td>R square</td>
<td>0.125</td>
<td></td>
<td>0.128</td>
<td></td>
</tr>
</tbody>
</table>

Post regression test (Ho: NPO-GOV = GOV-GOV)

<table>
<thead>
<tr>
<th>F (1,1102)</th>
<th>Significance of F</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.96</td>
<td>0.08</td>
</tr>
</tbody>
</table>

Post regression test (Ho: NPO-NPO = GOV-NPO)

<table>
<thead>
<tr>
<th>F (1,1102)</th>
<th>Significance of F</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.49</td>
<td>0.06</td>
</tr>
</tbody>
</table>

Source: Author

**Sobel-Goodman mediation tests for work motivational attitudes**

Task-clarity, red tape, formalization, and risk-trust aversion are important antecedents of work motivational attitudes. Because perceived task clarity differs between GOV-GOVers and NPO-GOVers, and perceived red tape, formalization, and risk-trust aversion differ between GOV-NPOers and NPO-NPOers, these four antecedents can possibly mediate the effects of sector switching on work motivational attitudes. I conducted Sobel-Goodman mediation tests for both public and nonprofit managers (see Table 20 and 21).
In the public sector, perceived formalization, red tape, and risk-trust aversion appear to be similar between switchers and non-switchers. It is not surprising that they generate minor mediation effects between sector switching and work motivational attitudes, and the after-mediation $p$ values change little. The only significant mediator is perceived task clarity, which has been proven to be different between NPO-GOVers and GOV-GOVers. It generates a mediation effect for 46.7%.

<table>
<thead>
<tr>
<th>Table 20 Sobel-Goodman mediation test results for GOV-GOVers and NPO-GOVers</th>
</tr>
</thead>
<tbody>
<tr>
<td>$B$ value</td>
</tr>
<tr>
<td>---------------------</td>
</tr>
<tr>
<td><strong>Before mediation</strong></td>
</tr>
<tr>
<td>Task clarity</td>
</tr>
<tr>
<td>Formalization</td>
</tr>
<tr>
<td>Red tape</td>
</tr>
<tr>
<td>Risk-trust aversion</td>
</tr>
<tr>
<td><strong>Overall mediation</strong></td>
</tr>
</tbody>
</table>

Source: Author

In the nonprofit sector, I surmise that perceived formalization, red tape, and risk-trust aversion are much more important mediators than perceived task clarity because they appear to be different between switchers and non-switchers. The results of Sobel-Goodman mediation tests also support my anticipation: as compared to perceived task clarity which generates a mediation effect for 27%, the mediation effects generated by perceived formalization and red tape reach 61% and 69%. Perceived risk-trust aversion generates an even higher mediation effect between sector switching and work motivational attitudes, which is 83.3%. Results of mediation tests hint that mediators determining a gap of work motivational attitudes between switchers and non-switchers are different in the public and nonprofit sector.
Table 21 Sobel-Goodman mediation test results for GOV-NPOers and NPO-NPOers

<table>
<thead>
<tr>
<th></th>
<th>GOV-NPO</th>
<th>NPO-NPO</th>
<th>Difference</th>
<th>Mediation effect</th>
<th>Ho: GOV-NPO = NPO-NPO</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Before mediation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>B value</strong></td>
<td>2.47</td>
<td>3.61</td>
<td>1.14</td>
<td>--</td>
<td></td>
</tr>
<tr>
<td><strong>Difference</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mediation effect</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>p value under Ho</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Individual mediation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Task clarity</td>
<td>2.30</td>
<td>3.13</td>
<td>0.83</td>
<td>27.1%</td>
<td>0.15</td>
</tr>
<tr>
<td>Formalization</td>
<td>0.70</td>
<td>1.14</td>
<td>0.44</td>
<td>61.4%</td>
<td>0.45</td>
</tr>
<tr>
<td>Red tape</td>
<td>1.30</td>
<td>1.65</td>
<td>0.35</td>
<td>69.3%</td>
<td>0.55</td>
</tr>
<tr>
<td>Risk-trust aversion</td>
<td>1.12</td>
<td>1.31</td>
<td>0.19</td>
<td>83.3%</td>
<td>0.73</td>
</tr>
<tr>
<td><strong>Overall mediation</strong></td>
<td>0.66</td>
<td>0.49</td>
<td>0.17</td>
<td>85.1%</td>
<td>0.93</td>
</tr>
</tbody>
</table>

Source: Author

**Summary**

Analyses in this section focus on the comparisons between switchers and non-switchers in both the public and the nonprofit sectors. Please refer to Table 22 for the summary of sector switching in both the public and nonprofit sectors.

Table 22 Summary of public-nonprofit sector switching

<table>
<thead>
<tr>
<th></th>
<th>NPO-GOV: GOV-GOV</th>
<th>NPO-NPO: GOV-GOV</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expectations</strong></td>
<td>Results</td>
<td>Expectations</td>
</tr>
<tr>
<td>Task ambiguity</td>
<td>=</td>
<td>&gt;</td>
</tr>
<tr>
<td>Formalization</td>
<td>&gt;</td>
<td>=</td>
</tr>
<tr>
<td>Red tape</td>
<td>&gt;</td>
<td>=</td>
</tr>
<tr>
<td>Risk-trust aversion</td>
<td>&gt;</td>
<td>=</td>
</tr>
<tr>
<td>Negative work motivational attitudes</td>
<td>&gt;</td>
<td>&gt;</td>
</tr>
</tbody>
</table>

Source: Author

In both univariate and multivariate analyses, NPO-GOVers and GOV-GOVers do not exhibit much difference on their perceived formalization, red tape, and risk-trust culture. However, their perceived task clarity appears to be different – NPO-GOVers are less likely than GOV-GOVers to perceive that their tasks are clear. These findings, unfortunately, do not match Hypothesis 2.1.0 ~ 2.1.3. In the meantime, I found that GOV-GOVers are less likely than NPO-
GOVers to report negative work motivational attitudes, which supports my Hypothesis 2.1.4. One may infer that perceived task clarity is the only influential mediator causing attitudinal gap between switchers and non-switchers in the public sector.

Next I switch my discussion to nonprofit sector managers, including switchers from the public sector (GOV-NPOers) and non-switchers (NPO-NPOers). In both univariate and multivariate analyses, perceived task clarity is the only item which does not differ between the two groups. Perceived formalization, red tape, and risk-trust aversion, in contrast, are different between GOV-NPOers and NPO-NPOers, a finding that corresponds to my Hypothesis 2.1.1 ~ 2.1.3. In the meantime, work motivational attitudes also differ between GOV-NPOers and NPO-NPOers, a finding matches my Hypothesis 2.1.4. It is apparent that different perceived formalization, red tape, and risk-trust aversion are important sources causing attitudinal difference. In contrast, perceived task clarity differs little between two groups, so it has little connection to attitudinal difference (see Figure 7).

Figure 7 Important mediators which lead to attitudinal difference

Source: Author
Finally, there is a limitation in my analyses concerning task clarity. All statistic techniques used in this study are based on the logic of ordinary least square. While task clarity is measured by a 1-4 ordinal item, statistic results may be biased. On the one hand, I made up the problem by employing separate ordinal logit models and comparing logit $p$ values with OLS $p$ values. Luckily, the gaps of significance are small. On the other hand, I believe that the advantages of multivariate analysis and mediation test prevail over the problem of model misspecification.

4.4 Testing Hypothesis Three

Introduction of variable interaction

The main concern of Hypothesis 3 is whether public-nonprofit sectoral difference moderates casual relationships between individual needs and work motivational attitudes via the function of need satisfaction. To test this, dummy variable interaction is a necessary technique used to compare effects generated by two groups with different attributes (Wooldridge, 2006). For example, the regression model with individual needs and a public-nonprofit dummy as mutually exclusive independent variables and work motivational attitudes as the dependent variable (i.e. restricted model) can be expressed as:

$$\hat{y} \ (Work \ motivational \ attitudes) = \beta_i \ (Individual \ needs) + \delta_0(Dummy_N) + u$$

In order to test for possibly different effects of the model for public versus nonprofit organizations, I supplement dummy variable interaction terms and create an unrestricted model expressed as:

$$\hat{y} \ (Work \ motivational \ attitudes) = \beta_i \ (Individual \ needs) + \delta_0(Dummy_N) + \delta_i \ (D_N \ * \ Individual \ needs) + u$$
$\beta_i$ refers to the impact of needs on work motivational attitudes in the public sector, provided that $\delta_0$ and $\delta_i$ are zero. If the main focus is whether two populations follow the same regression function, the null hypothesis should be stated as $H_0: \delta_0 = 0, \delta_i = 0$. One may also look into specific need variables and compare the values of $\beta_i$ and $\delta_i$, where the null hypothesis should be stated as $H_0: \delta_i = 0$. If the null is rejected, one may also obtain the impact of needs on work motivational attitudes in the nonprofit sector by testing $H_0: \beta_i + \delta_i = 0$.

**Statistical analysis (1): need-attitude correlations across sectors**

Both correlation and regression across the public and the nonprofit sectors shed light on whether public-nonprofit sector moderates relationships between needs and work motivational attitudes. I first discuss different types of needs separately by examining correlation coefficients (see Table 23).

### Table 23  Need-attitude correlations in the full, public, and nonprofit samples

<table>
<thead>
<tr>
<th>Work motivational attitudes</th>
<th>GOV + NPO</th>
<th>GOV</th>
<th>NPO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mot1_responsibility</td>
<td>0.24</td>
<td>0.20</td>
<td>0.12</td>
</tr>
<tr>
<td></td>
<td>(0.00)</td>
<td>(0.00)</td>
<td>(0.02)</td>
</tr>
<tr>
<td>Mot2_public service</td>
<td>0.12</td>
<td>0.26</td>
<td>0.07</td>
</tr>
<tr>
<td></td>
<td>(0.00)</td>
<td>(0.00)</td>
<td>(0.18)</td>
</tr>
<tr>
<td>Mot3_advancement</td>
<td>0.05</td>
<td>0.18</td>
<td>0.06</td>
</tr>
<tr>
<td></td>
<td>(0.10)</td>
<td>(0.00)</td>
<td>(0.26)</td>
</tr>
<tr>
<td>Mot4_salary</td>
<td>0.00</td>
<td>0.01</td>
<td>-0.12</td>
</tr>
<tr>
<td></td>
<td>(0.87)</td>
<td>(0.87)</td>
<td>(0.02)</td>
</tr>
<tr>
<td>Mot5_job security</td>
<td>-0.10</td>
<td>0.00</td>
<td>-0.07</td>
</tr>
<tr>
<td></td>
<td>(0.00)</td>
<td>(0.99)</td>
<td>(0.17)</td>
</tr>
<tr>
<td>Mot6_alternative</td>
<td>-0.25</td>
<td>-0.19</td>
<td>-0.17</td>
</tr>
<tr>
<td></td>
<td>(0.00)</td>
<td>(0.00)</td>
<td>(0.00)</td>
</tr>
</tbody>
</table>

Source: Author
A need for responsibility is positively correlated with work motivational attitudes in the full sample \((p = 0.00)\), a finding that espouses my Hypothesis 3.1a. However, my Hypothesis 3.1b, which states that a positive need-attitude relationship may be compromised in the public sector, is not supported. Need-attitude relationships differ little between public managers \((p = 0.00)\) and nonprofit managers \((p = 0.02)\). More specifically, the statistical significance is even stronger in the public sample.

A need for public service ability is positively correlated with work motivational attitudes in the full sample \((p = 0.00)\), which underpins my Hypothesis 3.2a. The significance of coefficient decreases in the nonprofit sample decreases \((p = 0.18)\), a sharp contrast to the coefficient in the public sector \((p = 0.00)\). It implies that resources are more abundant in the government than in the nonprofit sector, so public sector managers are more likely to receive relevant training, create social connections and obtain funding to increase their ability to serve the public.

A need for advancement is positively correlated with work motivational attitudes on the 90% confidence level in the full sample \((p = 0.10)\), an evidence of my Hypothesis 3.3a. Due to different levels of need satisfaction likelihood in the public and the nonprofit sector, the positive need-attitude relationship is stronger in the public sector \((p = 0.00)\) than in the nonprofit sector \((p = 0.26)\), which supports my Hypothesis 3.3b as well.

A need for job security is negatively related to work motivational attitudes in the full sample \((p = 0.00)\), which supports my Hypothesis 3.4a. Although coefficients in both the public sample and the nonprofit sample are not statistically significant, the negative coefficient in the nonprofit sample is approaching the significance level \((p = 0.17)\) especially in comparison to the coefficient in the public sample \((p = 0.99)\). I conclude that people having a need for job security
are more likely to have negative work motivational attitudes in the nonprofit sector than in the public sector due to lower likelihood of need satisfaction, a counterpart of my Hypothesis 3.4b.

Concerning the need for salary, the coefficient is not statistically significant at all in the full sample ($p = 0.87$) and the public sample ($p = 0.87$), which is in contrast to the significant coefficient in the nonprofit sample ($p = 0.02$). In other words, Hypothesis 3.5b is supported but Hypothesis 3.5a is not – a need for salary is less likely to be satisfied in the nonprofit sector than in the public sector, so nonprofit managers having a need for salary tend to have more negative work motivational attitudes. In the full sample and public sample, a zero correlation coefficient between a need for salary and work motivational attitudes may result from high need satisfaction in the public sector, which decreases the likelihood of compromised work motivational attitudes but still fails to make attitudes positive.

The variable “limited alternatives” is negatively correlated with work motivational attitudes in the full sample ($p = 0.00$), public sector sample ($p = 0.00$), and nonprofit sector sample ($p = 0.02$) at the 95% confidence level. This supports my Hypothesis 3.6, which states that one’s reluctance to work is akin to “amotivation,” and accepting the job itself does not change the status of amotivation regardless of section affiliation.

**Statistical analysis (2): OLS regression with dummy variable interaction**

Taking correlations among IVs into consideration is one of the most important advantages of using regression instead of IV-DV correlation coefficients. Accordingly, I computed OLS regression and compare regression coefficients (see Table 24) and correlation coefficients. In the restricted model, I found that a need for responsibility, public service ability, and advancement are positive predictors for work motivational attitudes at the 95% confidence
level and the impact of advancement is slightly lower than that of other two needs, a finding that matches my Hypothesis 3.1a, 3.2a, and 3.3a.

<table>
<thead>
<tr>
<th>Work motivational attitudes</th>
<th></th>
<th></th>
<th>B</th>
<th>p</th>
<th>B</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mot1_responsibility</td>
<td>0.45</td>
<td>0.00</td>
<td>0.40</td>
<td>0.01</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mot2_public service</td>
<td>0.45</td>
<td>0.00</td>
<td>0.70</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mot3_advancement</td>
<td>0.36</td>
<td>0.00</td>
<td>0.53</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mot4_salary</td>
<td>-0.24</td>
<td>0.07</td>
<td>-0.23</td>
<td>0.14</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mot5_job security</td>
<td>0.05</td>
<td>0.67</td>
<td>0.11</td>
<td>0.46</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mot6_alternative</td>
<td>-0.45</td>
<td>0.00</td>
<td>-0.49</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NPO dummy</td>
<td>2.36</td>
<td>0.00</td>
<td>5.96</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mot1_npo</td>
<td>--</td>
<td>--</td>
<td>-0.07</td>
<td>0.79</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mot2_npo</td>
<td>--</td>
<td>--</td>
<td>-0.59</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mot3_npo</td>
<td>--</td>
<td>--</td>
<td>-0.40</td>
<td>0.04</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mot4_npo</td>
<td>--</td>
<td>--</td>
<td>-0.12</td>
<td>0.66</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mot5_npo</td>
<td>--</td>
<td>--</td>
<td>-0.08</td>
<td>0.74</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mot6_npo</td>
<td>--</td>
<td>--</td>
<td>0.15</td>
<td>0.47</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manager</td>
<td>0.50</td>
<td>0.01</td>
<td>0.48</td>
<td>0.02</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>0.06</td>
<td>0.00</td>
<td>0.06</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Religion</td>
<td>0.43</td>
<td>0.03</td>
<td>0.34</td>
<td>0.08</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>11.63</td>
<td>0.00</td>
<td>10.42</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| N  | 1099 | 1099 |
| R square | 0.229 | 0.236 |

Source: Author

In the unrestricted model, the interactive terms $\delta_i$ for public service ability and advancement are negative and statistically significant, which implies that Ho: $\delta_i = 0$ is rejected. I accordingly tested Ho: $\beta_i + \delta_i = 0$ for these two types of needs and obtained $F (1, 1082) = 0.43$, $p = 0.51$, $\beta_i + \delta_i = 0.70 - 0.59 = 0.11$ for the coefficient of public service ability and $F (1, 1082)$
= 0.75, \( p = 0.39 \), \( \beta_i + \delta_i = 0.53 - 0.40 = 0.13 \) for the coefficient of advancement. Both of them are insignificant and much lower than the coefficients in the public sector, 0.70 and 0.53 respectively. However, the coefficients of responsibility differ little across the public and the nonprofit sectors (\( p = 0.79 \) in the unrestricted model). Regression findings support my Hypothesis 3.2b, 3.3b but do not support Hypothesis 3.1b. Most importantly, they perfectly match the results drawn from correlation coefficients.

Need-attitude relationships attached to extrinsic motivation and amotivation (the needs for salary, job security, and a job within limited alternatives), based on my Hypothesis 3.4a, 3.5a, and 3.6, are expected to negatively predict work motivational attitudes. I won some support from regression results in the restricted model: the coefficient of salary is negative and significant on the 90% confidence level; the coefficient of limited job alternatives is also negative and significant on the 95% confidence level. They support my Hypothesis 3.4a and 3.6. However, I found no evidence in supporting 3.5a – a negative relationship between a need for job security and work motivational attitudes – due to an insignificant coefficient (\( p = 0.67 \)).

Finally, no variable is statistically significant in the unrestricted model, a sign of no-difference between public and nonprofit managers. However, the result of Ho: \( \beta_i + \delta_i = 0 \) for a need for salary shows that \( F (1, 1082) = 4.03 \ p = 0.04, \beta_i + \delta_i = -0.23 - 0.12 = -0.35. \) It implies that a need for salary is a significant predictor for negative work motivational attitudes in the nonprofit sector but not in the public sector. In sum, my Hypothesis 3.6 is supported again. Some evidences support Hypothesis 3.4b but not 3.5b.

**Summary**

Concerning need-attitude relationships attached to intrinsic motivation and high-level extrinsic motivation (i.e. needs for more responsibility, public service ability, and advancement),
correlation coefficients and regression results tend to reveal the same clues: they all positively predict work motivational attitudes. Due to a gap of need satisfaction likelihood, the positive relationships decrease, if not disappear, among nonprofit sector managers. I anticipated that a positive relationship between a need for responsibility and work motivational attitudes is stronger among nonprofit sector managers than public sector managers, but neither correlation nor regression findings support this hypothesis.

Both correlation and regression results endorse the hypothesis that reluctance to accept a job within limited alternatives is negatively related to work motivational attitudes, and the negative relationship does not differ across the public and the nonprofit sectors. However, correlation and regression findings are mixed for need-attitude relationships attached to low-level extrinsic motivation (i.e. needs for job security and salary). According to my hypotheses, their need-attitude relationships should be negative in the full sample. Results for these two variables drawn from correlation and regression are mixed (see Table 25). With respect to the comparison between public and nonprofit managers, where the relationships are expected to be more negative in the nonprofit sector than in the government, correlation and regression results fail to converge again. These mixed findings lead me to make a more conservative conclusion: low-level extrinsic needs such as a need for salary and a need for job security may deteriorate managers’ work motivational attitudes, but their impacts are not as strong as the need attached to amotivation. The potential for need satisfaction is lower in the nonprofit sector than in the public sector. Although this may appear to strengthen the negative need-attitude relationships, the deterioration is not salient because the potential for need satisfaction may not be sharply lower.
<table>
<thead>
<tr>
<th>Needs</th>
<th>A job itself</th>
<th>Salary</th>
<th>Job security</th>
<th>Advancement</th>
<th>Public service</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(6)</td>
<td>(5)</td>
<td>(4)</td>
<td>(3)</td>
<td>(2)</td>
<td>(1)</td>
</tr>
<tr>
<td>Hypothesis (a) full sample</td>
<td>(-)</td>
<td>(-)</td>
<td>(-)</td>
<td>(+)</td>
<td>(+)</td>
<td>(+)</td>
</tr>
<tr>
<td>Correlation</td>
<td>Support</td>
<td>No support</td>
<td>Support</td>
<td>Support</td>
<td>Support</td>
<td>Support</td>
</tr>
<tr>
<td>Regression</td>
<td>Support</td>
<td>Support</td>
<td>No support</td>
<td>Support</td>
<td>Support</td>
<td>Support</td>
</tr>
<tr>
<td>Conclusion</td>
<td>Support</td>
<td>Mix</td>
<td>Mix</td>
<td>Support</td>
<td>Support</td>
<td>Support</td>
</tr>
<tr>
<td>Hypothesis (b) GOV vs. NPO</td>
<td>NPO = GOV</td>
<td>NPO &gt; GOV</td>
<td>NPO &gt; GOV</td>
<td>NPO &lt; GOV</td>
<td>NPO &lt; GOV</td>
<td>NPO &gt; GOV</td>
</tr>
<tr>
<td>Correlation</td>
<td>Support</td>
<td>Support</td>
<td>Support</td>
<td>Support</td>
<td>Support</td>
<td>No support</td>
</tr>
<tr>
<td>Regression</td>
<td>Support</td>
<td>Weak support</td>
<td>No support</td>
<td>Support</td>
<td>Support</td>
<td>No support</td>
</tr>
<tr>
<td>Conclusion</td>
<td>Support</td>
<td>Mix-support</td>
<td>Mix</td>
<td>Support</td>
<td>Support</td>
<td>No support</td>
</tr>
</tbody>
</table>

Source: Author
CHAPTER FIVE – CONCLUSION

5.0 A Quick Review of Research Questions and Hypotheses

Does public-nonprofit sector difference really matter in determining work motivation? In answering this question, one must precisely define the scope of work motivation first. However, it is difficult to delineate what work motivation consists of (Gabris & Simo, 1995), so scholars have tried different alternative approaches to measure work motivation. Employing proxy variables, one of the many plausible alternatives, is used in this study. By including related prior-motivation attitudes such as job satisfaction, job involvement, and organizational commitment, I created a proxy measure titled “work motivational attitudes.”

Why is public-nonprofit comparison in work motivation a critical question? On the first level, research concerning public-nonprofit comparison is scant in the literature. Although scholars tend to argue that these two types of organizations operate in a similar environment where market competition is limited (see Berman, 2006; Brooks, 2002 for examples), this perspective has rarely been linked to work motivational attitudes, and even when the linkage was found from time to time, it was not empirically tested. Accordingly, we know little about whether work motivational attitudes differ and why they may differ across the public and the nonprofit sectors.

On the second level, both public and nonprofit managers can benefit from public-nonprofit comparison by being more clearly informed on the applicability of motivation theories. If work motivational attitudes and sector-attached determinants for these attitudes are different in the
government and in the nonprofit sector, developing unique motivation theories for managers in these two sectors may be more desirable than putting public and nonprofit in the same basket.

Classic literature with respect to public-private comparison is an important legacy for public sector work motivation studies, and it sheds light on the inquiry for public-nonprofit comparison. One can learn from the literature that political interference, goal ambiguity, personnel formalization, red tape, risk aversion, and empowerment tend to distribute unevenly between the public and the private sectors. These interrelated features, as Buchanan (1975) contended, are more unfavorable in the public sector and make government managers feel the loss of their personal impact on organizations and the frustration of their service ethic. Maybe public sector managers do not always report more negative work motivational attitudes than do private managers, but when they do, negative attitudes are usually accompanied by perceptions of a compromised reward system, high goal ambiguity, strong red tape, and eroded autonomy.

In the sense that work motivational attitudes can never be independent from one’s perceived goal ambiguity, formalization in personnel rules, red tape, risk aversion, and top-down trust culture; analyzing these characteristics in public and nonprofit agencies helps one more accurately judge whether work motivational attitudes are different in these two organizational categories. In consequence, I carefully reviewed the literature regarding sources of previously mentioned characteristics and developed my first set of hypotheses:

**Hypothesis one: Compared to their nonprofit peers, public managers may not tend to perceive more goal ambiguity. However, they are more likely to witness formalization in personnel rules, red tape, risk aversion, and low levels of top-down trust, which in turn compromises their work motivational attitudes.**
If public-nonprofit sector affiliation constitutes the core of attitudinal gaps concerning work motivation owing to different objective conditions in goal clarity, red tape, formalization, risk aversion, and trust, both public and nonprofit sector workers should undergo distinctive “sector socialization” processes and generate their stereotypes and memories about goals, organizational structures, and organizational cultures.

When they change to a new environmental setting, either from public to nonprofit or from nonprofit to public, the new situation may require that they adjust. Because transitions do not erase all old traces, sector switchers frequently carry memories into the new roles and create a unique set of criteria in evaluating their current environmental conditions. In comparison to those who choose to stay in the same sector for their entire career, sector switchers are prone to experience either negative or positive surprises (Louis, 1980). A more popularly accepted psychological term for this phenomenon is “contrast effect,” which emphasizes how experience and socialization cause impacts on one’s contemporary sense-making. Based on the first set of hypotheses and contrast effect, I developed my second set of hypotheses:

**Hypothesis two:** In both public and nonprofit agencies, switchers and non-switchers may not tend to perceive different goal ambiguity notwithstanding, they are likely to witness different levels of formalization in personnel rules, red tape, risk aversion, and top-down trust, which in turn causes a gap of their work motivational attitudes.

External environment attached to sectoral contexts is not the only determinant of work motivational attitudes. An individual’s inherent value system plays a decisive role in altering one’s work motivational attitudes. While some people may place a higher value on extrinsic
factors such as money, job security, and promotion, some people are more strongly motivated by intrinsic factors such as responsibility, personal growth, and altruistic behaviors. Based on a specific value system, one generates desires/needs and transforms needs to expectations before selecting a job.

It is undeniable that extrinsic and intrinsic needs/values are not mutually exclusive (Covington & Mueller, 2001). Nonetheless, both the Attribution Theory (Weiner, 1986) and the Self-Determination Theory (Ryan & Deci, 2000a, 2000b) hint that intrinsically motivated people are more likely than extrinsically motivated people to exhibit higher work motivation and more positive attitudes due to their stronger internal locus of causality and higher trait-positive affect. Extrinsic factors pertaining to intrinsic motivation, such as advancement in a hierarchy, can bring one prestige, recognition (Jason, 2005), and accordingly ameliorate work motivational attitudes.

The need-attitude relationships become more complicated when public-nonprofit sector moderation is considered. Some sector-attached objective conditions determine the potential for need satisfaction and thereby changes impacts of needs on work motivational attitudes. For example, the likelihood of satisfying a need for public service ability is lower for nonprofit managers than for public managers because of the nonprofit sector’s relative scarcity of funding and resource used in training and networking. The conditions in the nonprofit sector may not provide sufficient potential for fulfilling needs for salary, job security, and advancement. Satisfying a need for responsibility, in contrast, may be more difficult in the public sector due to lower possibility of delegation and participation in decision making. A need for a job itself within limited alternatives is akin to amotivation, which implies zero likelihood of satisfaction regardless of sector affiliations. The third set of hypotheses is derived from the public-nonprofit moderation effect:
Hypothesis three: Although work motivational attitudes are negatively related to extrinsic needs and positively related to intrinsic needs in general, the change of relationships is possible and is subject to the likelihood of need satisfaction in public and nonprofit sectoral contexts.

Whereas the three sets of hypotheses sound plausible, not all statistical findings in Chapter 4 support them. When hypotheses match findings, what kind of implications should be drawn from the consonance? Which theories or perspectives provide underpinning evidences? Likewise, when hypotheses are in conflict with findings, what conclusions should be made based on this inconsistency? Is there anything left out or omitted in my literature review? In the next three sections, I will juxtapose statistical findings and hypotheses followed by discussions.

5.1 Hypotheses versus Findings (1): Public-Nonprofit Affiliation

The first set of hypotheses indicates that public sector managers, as compared to nonprofit sector managers, tend to exhibit more negative work motivational attitudes due to their different perceived red tape, formalization of personnel rules, and risk-trust aversion. Their perceived goal clarity may not be different enough to result in any influence on work motivational attitudes. They have received conspicuous support from statistical findings.

Consistent findings and implications

I found that public managers are indeed more likely than nonprofit managers to report negative work motivational attitudes, and the relationships between sector affiliation and work motivational attitudes are immensely mediated by perceived red tape (49%), formalization of personnel rules (73%), and risk-trust aversion (55%). It implies that governmental managers’ negative work motivational attitudes are most likely to be accompanied by perceptions of (1) a
crippled personnel system including promotion, pay reward, and layoff, (2) a culture where both the top management and employees are afraid to take risks and top management does not trust their employees, and (3) high levels of red tape.

A more fundamental question behind this finding is “what is the source for perceptual differences between public and nonprofit managers.” One may find it hard to answer this question because, in fact, formalized personnel rules, red tape, a poor risk-trust culture are often interrelated and they share some common political-economic antecedents which may exist in both public and nonprofit organizations. For example, first, both types of organizations are responsible for public service delivery instead of profit making. Inasmuch as public service is usually value-laden and not quantifiable, seeking appropriate indicators to measure performance can be complicated. This environmental feature is reflected on the personnel system: both public and nonprofit organizations may encounter certain extents of difficulties in implementing performance-based promotion, pay, and layoff.

Second, public service is usually delivered under limited market competition, so incomplete market mechanisms are a commonality for public and nonprofit organizations as well. Both public and nonprofit sector workers may tend to be equally risk averse if the residual claimant theory (Alchian & Demsetz, 1972, 1973), which states that market mechanisms can monitor whether individuals are “shirking” and maintain a tendency for organizational risk taking, is correct. Finally, both public and nonprofit managers may incur contradictory demands from a variety of stakeholders. While the government needs to act on behalf of legislators, constituents, and higher level administrative agencies, nonprofit organizations operate under the interferences from their boards and funders. A common result of losing managerial power is to increase control over subordinates by more red tape, another symbol of risk aversion.
The real sources leading to perceptual differences may be comprised of the following three factors: the merit protection system, different survival pressure, and self-selection. First, public agencies rely on the merit protection system in order to prevent nepotism from happening. Perhaps both public and nonprofit managers have limited managerial power due to multiple external demands, but the public sector’s merit system as a constitutional constraint even erodes this power and decreases the flexibility for public managers to make autonomous decisions in rewarding well-performed employees and firing indolent employees.

Incomplete markets in both the public and the nonprofit contexts notwithstanding, a high risk-taking culture is more prevalent in nonprofit organizations because of their precarious existence. While public organizations have stronger “niche” (Hannan & Freeman, 1984) and suffer less from threats to survival, nonprofit sector organizations need to cognize their limited funding or they risk bankruptcy and disappearance (Brooks, 2002). Increasing internal control and red tape may decrease mistakes and ensure “legitimacy” for nonprofit managers on the one hand, it deteriorates efficiency and jeopardizes survival on the other. Different levels of survival crises make nonprofit managers more willing than public managers to empower and less willing to impose formal control over their subordinates by excessive red tape.

Finally, the impact of self-selection may be influential. The synergy of an objective incentive structure and subjective values/needs generates one’s self-selection. People’s risk-averse personality drives them to value job security more highly than other types of needs (Houston, 2000; Jurkiewicz, et al., 1998; Wittmer, 1991), and this risk-averse nature directs them to choose public sector jobs for their long-term career (Baldwin, 1991; Bellante & Link, 1981). In the sense that external “visible” incentives such as job security, high salary, and promotion are objectively less accessible in the nonprofit sector, self-selected nonprofit sector workers are more
intrinsically-motivated (Leete, 2000). Based on the Attribution Theory (Weiner, 1986), nonprofit sector workers tend to place a more positive value on red tape, formalization, and risk aversion in their perceived environments.

**Inconsistent findings and implications**

I found that perceived task clarity differed in the public and nonprofit sectors. This finding contradicts my Hypothesis 1.1 stating that public and nonprofit managers may not perceive different levels of task clarity. Arguments endorsing my hypothesis include several common challenges that both public and nonprofit managers often face. First, they both receive multiple commands. The government not only conforms to directives from the legislation, top administrative agencies, and the courts simultaneously but also operates under public scrutiny. Nonprofit organizations, similarly, suffer from the controversy of their funders’ preferences due to a constrained financial authority (Campbell, 2002). In addition, they both provide social services, which include many value-laden practices and goals. Lacking performance indicators for social goals may increase the extent of goal ambiguity for both organizational categories.

Maybe information revealed by the literature is misleading, or maybe there was something left out from my discussion. Two possible explanations may help legitimize this discrepant finding: self-selection effect and different levels of conflicting demands. As I addressed earlier, self-selected nonprofit workers are more intrinsically-motivated and optimistic when they confront unfavorable conditions. It is possible that their report about task clarity is a biased, or euphemized, perception which reflects only part of the entire objective scenario. It is also possible that conflicting demands in the public sector are more coercive than those in the nonprofit sector. While public organizations are obligated or required to abide by constitutions, laws, and directives, nonprofit organizations are merely “expected” to satisfy their funders’
preferences. That is, nonprofit managers still enjoy a certain level of autonomy in setting their goals and making decisions. It is worth noting that the difference in perceived task clarity generated a minor mediation effect (less than 10%) between public-nonprofit affiliation and work motivational attitudes, and this difference is not as huge as the gaps in perceived formalization of personnel rules, red tape, and risk-trust aversion. A statistically significant but comparatively weak difference implies that conflicting demands and difficulties in measuring performance may not be critical enough to make the public and the nonprofit sectors distinctive.

Again, I encourage readers to use caution in interpreting the results about perceived task clarity. First, unlike other environmental level variables that are measured by the combination of different indicators, task clarity is measured by a single ordinal variable. Second, it is a proxy variable for goal ambiguity, which may restrain its explanatory power. Third, statistics obtained from analyses regarding task clarity in Chapter 4 are based on the logic of linear models and could be biased, although results in ordinal logit regression do not show too much difference.

**Summary: are public management and nonprofit management the same?**

Perhaps the public and the nonprofit sectors share some common features such as social service delivery, multiple stakeholders and conflicting demands, incomplete market, constrained external reward structures, crippled performance assessment system, etc. However, the merit protection system, survival pressure, and self-selection effect make the public and the nonprofit sectors distinctive entities and lead to public and nonprofit managers’ different perceptions of task clarity, formalization in personnel rules, red tape, and risk-trust aversion as well as their work motivational attitudes. Maybe one can integrate the merit protection system, survival pressure, and self-selection effect in this way: people self-selected to work in the nonprofit sector care less about a stable environment where survival pressure is low and promotion/salary is
based on merit instead of performance. Money and promotion are the least critical incentives, so repairing the reward and performance measurement systems should not be the first priority. In contrast, job security in the public sector may be what the top management should be wary when administrative reform is necessary.

In sum, one may still find overlaps between public and nonprofit management. However, due to obtained evidences about public-nonprofit difference in this study, I suggest that developing specific scholarship about nonprofit motivation theories independent from public ones would be more desirable.

5.2 Hypotheses versus Findings (2): Public-Nonprofit Switching

The second set of hypotheses indicates that NPO-GOVers, as compared to GOV-GOVers, tend to exhibit more negative work motivational attitudes due to (1) their different perceived red tape, formalization of personnel rules, and risk-trust aversion, and (2) sector socialization and contrast effect. GOV-NPOers tend to show more positive work motivational attitudes than do NPO-NPOers, according to the same logic. Their perceived task clarity, based on Hypothesis 1, may not be different enough to result in any influence on work motivational attitudes. However, because statistical results (for Hypothesis 1) indicate that perceived task clarity does differ in the public and the nonprofit sectors, it is possible that switchers and non-switchers (both NPO-GOVers vs. GOV-GOVers and GOV-NPOers vs. NPO-NPOers) perceive different levels of task clarity and in turn have a gap in their work motivational attitudes.

Switchers vs. non-switchers in the public sector: mixed findings for negative surprise

I obtained limited but contradictory evidences of contrast effect, or negative surprise, for switchers from the nonprofit sector. Statistical results show that among the four perceived
environmental features, only perceived task clarity appears to be different between NPO-GOVers and GOV-GOVers. If perceived formalization, red tape, and risk-trust culture are more crucial determinants for attitudinal difference between public and nonprofit managers, one should not witness a huge gap of work motivational attitudes for these two groups of people. However, statistics show a gap of work motivational attitudes at the 90% confidence level.

At least two questions merit discussion. First, why NPO-GOVers and GOV-GOVers perceive similar formalization, red tape, and risk-trust culture but different task clarity? In other words, why does negative surprise occur in only one aspect? Second, why is there a gap of work motivational attitudes between NPO-GOVers and GOV-GOVers even when important mediators – their perceived formalization, red tape, and risk-trust culture – are not different?

For the first question, I surmise that self-selection and self-persuasion possibly play a key role in determining the phenomenon “negative surprise occurs in only one aspect.” Self-persuasion, according to Aronson (1999), is based on the Theory of Cognitive Dissonance (Festinger, 1957) and has the ability to affect long-term changes in attitudes and behaviors. Self-persuasion is often used to alter the negative attitudes and behaviors as well (Aronson, 1999). No one would switch, or self-select oneself, to work in an environment where red tape, formalization, risk-trust aversion, and task ambiguity are more pervasive (e.g. the public sector) unless some attractions (e.g. job security, opportunities for promotion, stable income, abundant resource, etc.) exist in the same environment. Therefore, one may speculate that switchers to the public sector are likely to disregard turnover as an alternative and focus on self-persuasion, especially if they are willing to maintain those attractions.

Regarding the second question, several explanations are possible, but none of them is predominant. Statistics itself could be a reason: the difference of the dependent variable (work
motivational attitudes) is not statistically significant on the 95% confidence level, so one may also argue that work motivational attitudes do not differ between NPO-GOVers and GOV-GOVers. If one looks at substantial instead of statistical differences of perceived formalization, red tape, and risk-trust aversion, some gaps are still observable (please refer to Table 16 in Chapter 4). That is, these insignificant and tiny gaps, plus the gap in perceived task clarity, may generate an aggregate impact on work motivational attitudes.

Another possible reason is omitted mediators. Due to limited questions in the NASP-III database, I only included four mediators in this study. However, the scope of antecedents of work motivational attitudes is much broader than variables used in this dissertation, and these antecedents may not distribute evenly in the public and the nonprofit sectors. Different job design is one of the many critical factors. Scholars frequently employ skill variety, task identity, task significance, task autonomy, feedback from job and agents, job challenge, task complexity, etc. to predict job satisfaction (Hackman & Oldham, 1980), job commitment, and job involvement (Brown, 1996; Mathieu & Zajac, 1990). While external rewards are less likely to be accessible, workers generally have a stronger desire for a meaningful and interesting job design. This phenomenon is especially prevalent in both public and nonprofit organizations.

From an optimistic view, both public and nonprofit organizations should be able to provide challenging jobs by offering employees more opportunities to address important social issues (Perry, 1996; Perry & Wise, 1990), according to public service motivation (PSM) theorists. Posner & Schmidt (1982) also argued that public administrators are, compared to business administrators, less likely to feel that their work is routine and monotonous, endorsing that job design in the public sector is interesting, challenging, and meaningful.
Nonetheless, numerous research findings regarding public employees’ perception of job characteristics appear to be, if not frustrating, less encouraging. Due to political involvement and legal constraints in the public sector, workers there frequently perceive reduced autonomy, task variety, and task identity (Wright, 2001). Although I found no direct evidence suggesting that job design in the public sector is indeed inferior to that in the nonprofit sector, empirical studies (Baldwin, 1984; Buchanan, 1975; Flynn & Tannenbaum, 1993) indicated that public managers tend to hold a less autonomic and challenging job as compared to their private peers, thereby limiting public managers abilities to influence their organizations (Cacioppe & Mock, 1984). Since both nonprofit and private agencies suffer less from political disturbance and enjoy a superior status of autonomy, as compared to public agencies, public managers’ frustration on their job design and job characteristics can lead them to feel less committed to their organizations, involved in their work, and satisfied with their job.

In addition to job design, maybe one can include much more environmental or managerial factors that potentially differ across the public and the nonprofit sectors such as sporadic decision making, an atmosphere that is open to new ideas, organizational citizenship, etc. I suggest that future studies should embrace more mediators to increase explanatory power.

**Switchers vs. non-switchers in the nonprofit sector: an evidence of positive surprise**

In the nonprofit sector, switchers from the public sector (GOV-NPOers) perceive a more favorable condition in formalization in personnel rules, red tape, and risk-trust aversion than do non-switchers (NPO-NPOers), a reflection of positive surprise and contrast effect. Perceptual differences in these aspects also result in a gap of their work motivational attitudes: GOV-NPOers report more positively on questions of work motivational attitudes than do NPO-NPOers despite their similar perceived task clarity.
Findings for nonprofit sector managers perfectly match my hypotheses. However, one may question why positive surprise is more likely to occur than negative surprise in the sector switching scenario? A straightforward answer is that the occurrence of positive surprise is not accompanied by self-persuasion. While workers convince themselves to accept conditions such as red tape and risk aversion after switching into the public sector, individuals switching from the public sector need not experience self-persuasion in order to reduce cognitive dissonance because one is seldom “convinced” to accept a more favorable working condition.

**Summary: a view beyond traditional “sector affiliation”**

Individual work motivational attitudes are shaped by one’s perceived environment. However, when we learn about managers’ perceptions of the formalization, red tape, and risk-trust aversion, are we learning about the organizations, about the individual providing the assessment, or both? Organizations are more than aggregations of individual behavior; they are influenced as well by distinctive organizational contexts and by institutional histories, including the behaviors of former organizational members. Similarly, individuals working in organizations bring unique personal characteristics to their work setting but, at the same time, cannot escape being affected by the features of their organization. Thus, we assumed that the sector in which one works shapes behaviors in predictable ways. However, sector setting, even while constraining attitudes and behavior, leaves much unexplained.

A theory of work motivational attitudes requires more than a focus on sector differences. I feel that much could be learned by comparing perceptions of public and nonprofit managers who previously worked in other sector contexts with those who have worked in only one sector. This provides not only a contemporaneous sector setting element to the study, but an experience basis as well.
The findings for sector imprinting hint that one’s evaluation of one’s current environment is a synthesis of objective conditions and subjective experiences. This implies that researchers and managers need to proceed with caution in interpreting the responses of persons differing in their previous sector experiences. Managers do well to pay more attention to newcomers from a different sector affiliation in order to avoid the occurrence of a negative surprise. Although positive surprise seems to be more likely to occur than negative surprise in this preliminary study, I encourage more in-depth study of this potentially important phenomenon.

5.3 Hypotheses versus Findings (3): Public-Nonprofit Moderation

The third set of hypotheses are portrayed in a way that individual’s difference of needs may cause impacts on work motivational attitudes via the public-nonprofit sector moderation effect, and this effect functions in the form of need satisfaction.

Inherent needs are diversified and multi-dimensional. Although listing every individual work-related need is impossible, some heuristics or taxonomies which systematically sort out different types of needs may serve as an appropriate approach for conducting motivation research. Among others, the intrinsic-extrinsic dichotomy is the simplest and the most convenient for one to conduct analysis. Generally it is believed that people having a strong intrinsic need (i.e. intrinsically motivated people) tend to have more positive work motivational attitudes than do extrinsically motivated people, according to the Attribution Theory (Weiner, 1986). Simple and clear notwithstanding, propositions drawn from this dichotomy have some basic flaws.

First, it fails to consider the psychological reward nature of some extrinsic needs such as the need for promotion. The winner in an organization’s ladder receives not only higher salary
and more benefits but the prestige associated with the higher position (Jason, 2005). One may surmise that a need for advancement is positively associated with work motivational attitudes. Second, it does not distinguish different need-attitude relationships. While it is believed that work motivational attitudes are predicted by a person’s needs, different needs may generate impacts with different magnitudes. The Self-Determination Theory (Deci & Ryan, 1985), or SDT, which more carefully classifies extrinsic needs, delineates a clearer need-motivation and need-attitude relationship.

The SDT differentiates needs by identifying various levels of locus of causality. People motivated by intrinsic needs are more likely to have high internal locus of control leading them to report positively on their work motivational attitudes. People motivated by high-level extrinsic needs may have low internal locus of control leading to positive but compromised work motivational attitudes. Low external locus of control is often associated with those motivated by low-level extrinsic needs. They usually have negative work motivational attitudes. The last group is amotivational people – those who have the strongest external locus of control and the most negative work motivational attitudes.

My analytical structure is derived from the SDT, which also incorporates the concept of need satisfaction – the focus of this study. While need satisfaction is often determined by external environments and it may reinforce/attenuate the magnitude of need-attitude relationships, empirical studies seldom tested it and associated need satisfaction with different sector affiliations. By assuming that sectoral contexts determine whether one’s needs can be satisfied, this study examines relationships between work motivational attitudes and six different types of needs in the public and the nonprofit sectors: a need for responsibility, a need for public service
ability, a need for advancement, a need for salary, a need for job security, and a need for a job itself. These needs represent different motivation/need categories in the SDT heuristic.

**Findings about need-attitude relationships without public-nonprofit sector moderation**

Intrinsic and extrinsic needs selected for this study are well representative in the SDT heuristic. Hypotheses developed from the Attribution Theory and the SDT receive considerable support. Results of correlation and regression indicate that high-level extrinsic needs (i.e. a need for advancement) and intrinsic needs (i.e. needs for responsibility and public service ability) positively predict work motivational attitudes. The coefficient of advancement is slightly lower than coefficients of responsibility and public service ability, evidence of different levels of internal locus of control. Results also show that low-level extrinsic needs (i.e. needs for salary and job security) negatively predict work motivational attitudes, but findings are mixed in regression and correlation analyses. Although this finding may not help one judge whether a need for salary or a need for job security generates more negative work motivational attitudes, it does prove that the negative impact caused by amotivation (i.e. a need for job itself) is the strongest, the endorsement of different levels of external locus of causality.

**Findings about need-attitude relationships with public-nonprofit sector moderation**

All need-attitude causalities match hypotheses perfectly, which is a confirmation of the Attribution Theory and the SDT. Nonetheless, sector moderation via the function of need satisfaction, a more fundamental issue in this study, may change these causalities. While some hypotheses for sector moderation received considerable support, findings against hypotheses were found as well.

First, I found that public-nonprofit sector affiliation moderates positive impacts on work motivational attitudes generated by a need for advancement and a need for public service ability
– positive relationships are weaker in the nonprofit sector than in the public sector. Findings here imply that a need for advancement and a need for public service ability are less likely to be satisfied in the nonprofit sector as compared to the public sector. A lower likelihood of need satisfaction for nonprofit managers stems from the nonprofit sector’s inferior status of funding sources and resource availability. The first consequence of lacking resource and funding include fewer possibilities of hiring consultants, ensuring adequate support services, and providing opportunities for managers to participate in training (Berman, 1999), which facilitate necessary abilities for managers to become professional in public service delivery. In addition, the scarcity of resource and funding also leads to more flexible staffing and a loosely-coupled institutional structure that decreases opportunities for promotion.

Second, I obtained substantial support for my hypotheses from the correlation analyses that public-nonprofit sector affiliation moderates negative impacts on work motivational attitudes generated by a need for salary and a need for job security, although results for regression exhibit relatively weak endorsement. This set of findings implies that conditions for salary and job security in the public sector are generally more favorable than in the nonprofit sector. One may also be informed that satisfaction of salary and satisfaction of job security can only make one’s work motivational attitudes less negative but cannot make them positive. Third, the negative relationship between a need for job itself and work motivational attitudes does not differ across the public and the nonprofit sectors. The implication of this finding is that a need pertaining to amotivation is always a negative predictor for work motivational attitudes regardless of the potential for need satisfaction across sectors.

Finally, a finding in conflict with my hypothesis is that the negative relationship between a need for responsibility and work motivational attitudes does not differ across the public and the
nonprofit sectors. Based on my original surmise, the positive effect of a need for responsibility on work motivational attitudes is supposed to be more compromised in the government inasmuch as ubiquitous formal regulations and top-down control frequently reduce one’s involvement in organizational decision making, erode individual judgment or discretion in administrative affairs, and thus lead to damaged responsibility. However, results of both correlation and regression show little difference of the need-attitude relationship across sectors. The most likely explanation is that respondents in the NASP-III dataset are comprised of managers, who are expected to have more responsibilities in organizations. I encourage scholars to attend to the issue of perceived responsibility for first-line workers or lower level managers in both the public and the nonprofit sectors in order to obtain more evidences.

**Summary: more favorable or less favorable working conditions in the public sector?**

The third set of hypotheses imply that objective conditions for promotional chances, job security, salary, and resources exploited to increase professionalism are more desirable in the public sector than in the nonprofit sector. This set of hypotheses received considerable support. Given these favorable conditions, individuals in the public sector are expected to place positive evaluations on work motivational attitudes. However, statistical results for hypotheses about public-nonprofit sector affiliation and switching show a contradiction – public sector managers in general report more negatively on work motivational attitudes than do nonprofit managers.

Concerning a reasonable explanation, one may argue from the perspective of environmental determination that effects of these “good conditions” are offset by “bad conditions” such as red tape, over-formalized rules, political interference, and supervision. From another perspective, these external conditions also allow self-selection to happen – job security and salary in the government are more likely to attract those who have strong extrinsic needs to
work there. Lacking such incentives, nonprofit organizations are more likely to attract people who have a desire to make a difference and who care less about pay checks (Light, 2002). People falling into this category tend to exhibit more positive work motivational attitudes.

While job security, salary, promotion, and resources prove to be more favorable among public organizations than among nonprofit ones, they make public organizations fail to hire and retain intrinsically motivated workers. This individual level drawback accompanied by institutional red tape, formalization, and supervision often leads to negative work motivational attitudes for public managers.

5.4 Toward Distinctive Public and Nonprofit Motivation Theories

In conducting motivation research and developing motivation theories, public-private comparison is the most commonly accepted approach. A classical view is that people in the government and business agencies exhibit different levels of work motivation and related work motivational attitudes because of distinctive market pressure, political interference, and their influences on workers’ perceived environmental conditions. Findings emanating from this approach do not shed light on how public and nonprofit organizations may differ and whether two distinctive sets of theories for motivation and management are required. Therefore, in many aspects such as human resource, performance, and productivity, nonprofit and public management are considered an identical entity of knowledge (Berman, 2006; Brooks, 2002; Pynes, 2009).

Apart from the traditional approach, my study employs a new comparative basis: public versus nonprofit. The review of the literature, statistical analyses, and findings stemming from this approach urge me to first contend that public and nonprofit managers need different
motivation theories tailored for them, although some motivation-related features may look similar in these two sectors. In the rest of this section, I will first juxtapose five stereotypes about “the overlap of public management and nonprofit management” and my research inquiries refuting them. In addition, findings in this study also lay a solid foundation for developing a preliminary theory of “sector imprinting.” Accordingly, the fifth stereotype is concerned with the contrast effect and its limited applicability to a sector switching scenario. The “stereotype-refutation” dialectic layout helps one more efficiently navigate new perspectives developed in this study.

**Stereotype one: Both public and nonprofit organizations face limited market competition, so risk aversion in these two sectors should be the same. Because a risk-averse culture strongly attaches to work motivation and related work motivational attitudes, workers’ motivational attitudes may differ little in these two sectors.**

Although managers in these two sectors may not face substantial market competition, those who are in the nonprofit sector feel a more precarious existence owing to uncontrolled funding and high survival crisis. This situation leads to a gap of perceived risk aversion and top-down trust between public and nonprofit managers. Moreover, the merit system in the public sector increases the formalization of personnel rules, and political interference forces public managers to control their subordinates with more red tape. All these environmental features are more pervasive in the public sector only, so public managers are more likely than nonprofit ones to feel frustrated and report negative work motivational attitudes.

**Stereotype two: Both public and nonprofit organizations, unlike their private counterpart, fail to provide substantial (e.g. money, promotion, etc.) rewards/punishments to their**
employees because they do not make profits. It is unlikely for managers in both sectors to motivate their employees externally, so work motivational attitudes could be equally low.

This stereotype has two flaws. First, lacking external incentives notwithstanding, managers in the nonprofit sector enjoy a more flexible condition in manipulating personnel rewards and punishments insomuch that they are not imposed by merit protection and formalized personnel rules. Working under fewer restrictions and red tape, nonprofit managers are endowed with more autonomy in decision making. This condition increases their perceived locus of causality and ameliorates their work motivation.

Second, lacking external rewards have different implications in public and nonprofit organizations. In the government, lacking external rewards is synonymous with fixed/stable salary, merit-based advancement, and relatively favorable job security. These features attract those who are extrinsically motivated to work there. While the likelihood of satisfying these needs is high in the public sector, satisfaction of extrinsic needs can only avoid negative attitudes but cannot generate positive attitudes. In the nonprofit sector, lacking external rewards does not attach to any attractive extrinsic motivators, but instead, symbolizes positive self-selection. Intrinsically motivated workers may prefer choosing to work in the nonprofit sector because external rewards and intrinsic motivation are often mutually exclusive (Ryan & Deci, 2000b). As long as autonomy is endowed, intrinsic motivation among nonprofit sector workers may help generate positive work motivational attitudes, which is not a common scene in the government.

**Stereotype three:** Goals and tasks are equally ambiguous in the nonprofit and the public sectors. There are two underlying reasons for this argument. First, performance

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14 More specifically, most psychological literature claims that intrinsic motivation decreases when external rewards are introduced into organizations. The implication of this argument is that external rewards and intrinsic motivation are mutually exclusive, or in other words, extrinsically motivated people are less prone to choose the nonprofit sector for their job career.
measurement is equally difficult in public and nonprofit organizations because quantifiable indicators for public service delivery and for “quality” are less accessible. Second, multiple stakeholders and funders can influence goal setting and task content. Because goal/task clarity is a critical determinant for work motivational attitudes, work motivational attitudes for public and nonprofit managers should be identical.

The two reasons discussed above look plausible. Nonetheless, statistical findings reveal a different message: nonprofit managers perceive more task clarity than do public managers, although the difference is not as huge as that of formalization of personnel rules, red tape, and risk-trust aversion. A reasonable explanation is that, as the Attribution Theory (Weiner, 1986) asserts, self-selected nonprofit sector managers are more intrinsically motivated, so they place more positive evaluations on an objective condition, such as task clarity. It is also possible that external actors in the public sector context such as the court, legislators, and supervisory administrative agencies can impose formal and legal interference on public managers. As opposed to informal suggestions from funders and the board, political interference seems to be more influential. However, differences in task clarity are not salient enough to result in a huge gap of work motivational attitudes between public and nonprofit managers. I argue that more evidence is required for developing a public-nonprofit comparative theory about task clarity, goal clarity, and their impacts on possibly different work motivational attitudes.

**Stereotype four: Both public and nonprofit organizations deliver public services, so they both attract those motivated by public service to work there. Insomuch that public service motivation (PSM) is considered an intrinsic need leading to positive work motivational attitudes for workers, people having PSM should exhibit equally high work motivational attitudes across the public and the nonprofit sectors.**
Indeed, working in both public and nonprofit organizations increases one’s exposure to the public and public services, so presumably people having PSM may choose either category for their sector affiliation. However, it is a misconception that one’s PSM will result in equally high work motivational attitudes in both public and nonprofit organizations. Due to different levels of “niche” (Hannan & Freeman, 1977, 1984) in the public and the nonprofit sectors respectively, workers in these two sectors have unequal opportunities to access relevant information, resources, and skills for public service (Berman, 1999). In the sense that the congruence of an individual’s motivational predisposition and an organization’s opportunity structure determines one’s work motivational attitudes, individuals having PSM should exhibit more positive work motivational attitudes in the government than in the nonprofit sector. From another side of the coin, positive motivational attitudes are more likely to be diluted in the nonprofit sector.

**Stereotype five: People switching from one sector to another are more easily than non-switchers to experience a “surprise.”** Because risk-trust aversion, red tape, formalization in personnel rules, and task clarity are different across the public and the nonprofit sectors, switchers and non-switchers in both the public and the nonprofit sectors should perceive these features differently and accordingly report distinctive work motivational attitudes.

It is true that “contrast effect” shapes one’s perceptions when sector switching occurs because sector switchers accumulate “ought-to-be” information in their “old” sector, carry it into the new sector, and evaluate their current conditions with their unique criteria. A core and necessary component for the “sector imprinting theory” notwithstanding, “contrast effect” *per se* does not delineate the whole scene of sector imprinting. A complete theory of sector switching must also consider the effect of “self persuasion” (Aronson, 1999).
Self persuasion denotes that people may convince themselves, or adjust themselves, to accept unfavorable conditions that they will necessarily encounter or they have been encountering. While those who choose to switch from the nonprofit sector into the public sector may be attracted by stable salary, job security, and more opportunities for promotion, they have also been informed that red tape, restricted personnel rules, and risk aversion are ubiquitous in the public sector. These “bad conditions” are unavoidable if one plans to procure those earlier-mentioned attractions belonging to the government. In such circumstance (i.e. self-selecting oneself to switch into the public sector), reducing one’s antipathy toward the public sector by hypnotizing oneself to accept those undesirable conditions could be common among switchers from the nonprofit sector.

Consequently, one may speculate that “negative surprise” is less likely than “positive surprise” to occur. A theory of sector imprinting suggests that sector switchers and non-switchers may not evaluate their current environmental characteristics with two sets of sharply different criteria in the public sector, which could result in their different perceptions. However, perceptual differences between these two groups of people should be more observable in the nonprofit sector.

The theory of sector imprinting is not complete and it requires more evidences. While one argues that perceived risk aversion, trust, red tape, formalization, and goal ambiguity for managers pertain to their work motivational attitudes, and these factors do not differ between switchers and non-switchers in the public sector, one would also expect to observe similar work motivational attitudes for switchers and non-switchers. However, findings in this study do not support this argument – a conspicuous gap of work motivational attitudes does exist between these two types of people. Perhaps other relevant sector-attached variables mediate the
relationship between work motivational attitudes and sectoral difference, and they should be included in future studies pertaining to sector switching.

**Suggestions for practitioners**

Practitioners can benefit from these preliminary but new theories. First, both public and nonprofit organizations have inherent drawbacks and advantages. While work motivational attitudes for public managers are more likely to be compromised by political interference, risk-trust aversion, red tape, and formalization, a more resourceful work environment allows them to develop their abilities for doing public service. Nonprofit managers, by contrast, work in an environment where legal constraints are less prevalent, but suffer from limited resources and chances for their personal growth.

This implies that public-nonprofit cooperation may be a more desirable choice among many alternatives in delivering public services. In providing homogenous goods, public-nonprofit cooperation allows nonprofit sector workers to obtain substantial support and training resources from the public sector. It also allows public sector workers to reconstruct their public service motivation by comparing themselves with their nonprofit peers who can maintain their diligence with limited salary, job security, and promotion. Of course, transaction costs and some negative social comparison effects may be triggered, but they are beyond the scope of discussion in this study.

My second practical suggestion hinges on sector switchers. Apparently, in the public sector, switchers tend to report more negative work motivational attitudes than do non-switchers, a symbol of negative surprise. Because perceived environmental features such as red tape, formalization, risk aversion, and a trust culture are not different across the two groups, antecedents for this attitudinal gap is still unknown. Public managers are encouraged to explore
what possible origins are, and they are also expected to pay amore attention to switchers in order to prevent negative surprise from happening.

5.5 Research Limitations and Orientations for Future Studies

There are a few important limitations in this study, so I encourage readers to interpret findings with caution.

**Limitation (1): insufficient observations for switchers**

In samples for both public and nonprofit managers, switchers are the “minority” groups: less than 30 observations. Indeed, switching between sectors is not common especially when one considers inertia of individuals, steadiness of personal characteristics, and their compatibility with self-selected jobs. Perhaps increasing the sample sizes for both public and nonprofit managers is an alternative for remedying this problem.

**Limitation (2): a proxy variable for goal clarity**

I found no pertinent question asking goal clarity in the NASP-III dataset. The closet one is task clarity, a consequence of goal clarity. First of all, measuring goal clarity by using this proxy variable may generate imprecise results. In addition, unlike other types of environmental features and work motivational attitudes, which are measured by more than three different items, goal/task clarity has only one item in the NASP-III dataset. Insomuch that measuring a complex concept such as goal clarity (Chun & Rainey, 2005a, 2005b) with one single item may jeopardize content validity, and findings about task clarity are incompatible with my hypotheses, enhancing the validity of the measure by supplementing more goal-related items should be one of the many alternatives to improve this study.

**Limitations (3): sampling and methods**
As to the sample of nonprofit managers in NASP-III, the list of nonprofit managers was purchased from Infocus Marketing, Inc, as I noted in Chapter 4. Although the Infocus Marketing list is updated monthly, it includes only members of the American Society of Association Executives. That is, NASP-III receives a population of self-selected individuals. Methods employed in this study have limitations as well. Concerning the interrelated feature of perceived red tape, formalization, task clarity, and risk aversion, multivariate regression analysis proves to be a more adequate method than OLS regression. However, the calculation of multivariate regression analysis has not been developed to embraced ordinal level dependent variables, so statistical results for task clarity may be biased. Inaccurate results notwithstanding, I argue that advantages of using multivariate regression outweigh the limitation of this technique.

Correcting limitations addressed earlier will improve the quality for future studies. Limitations, on the other side of the coin, can be an orientation for efforts to be made in the future. In addition to these three dimensions, I offer two more suggestions.

**Suggestion (1): including more mediators**

My statistical results showed that about 76% differences of work motivational attitudes between public and nonprofit managers can be explained by their different perceived task clarity, red tape, formalization, and risk-trust aversion. Despite the high percentage of mediation effect, about 25% is left unexplained. What could be that 25%, or “missing mediators”?  

As I mentioned earlier in this chapter, job design, decision making, an open atmosphere in which innovation is encouraged, and organizational citizenship are possible answers. In addition, because we have been informed that perceived task clarity is different between public and nonprofit managers and between switchers and non-switchers in the public sector, it is also possible that difficulty in performance measurement (i.e. the amount of “quality” features) and
overall goal ambiguity differ across the public and nonprofit sectors and accordingly lead to a
gap of work motivational attitudes between two groups of workers. Role conflict in public and
nonprofit organizations, a factor closely related to goal ambiguity, could be crucial enough to
result in attitudinal difference as well. Public sector workers are encouraged to be the gate
keeper for public interests based on their professional knowledge, but they are also strongly
required to abide by laws and administrative orders. The intricacies of role content frequently
baffle public sector workers and accordingly undermine their work motivational attitudes. I
encourage researchers to attend to these factors in the future.

Finally, more studies should be connected to self-selection. In this study, self-selection is
deemed an important but hidden mediator between public-nonprofit sector affiliation-switching
and work motivational attitudes because self-selection cannot be tested in such a causal model.
Perhaps one should develop another model testing the relationship between needs and sector
selection and link the results to this study. Alternatively, one may employ items about one’s
“values” to be mediators between sector and work motivational attitudes. However, the latter
approach may not truthfully reflect a before-the-fact selection process.

**Suggestion (2): broadening the scope of dependent and independent variables**

I encourage researchers to engage themselves in more in-depth topics concerning sector
switching. On the side of dependent variables, although work motivation is one of the many
crucial elements in public management, many pertinent topics such as ethics, attitudes toward
administrative reform (e.g. privatization, using nonstandard workforce, deregulation, etc.), and
political neutrality are still left uninvestigated. On the side of independent variables, one may as
well consider the duration of time that public/nonprofit sector workers stay in their previous
sector and their current sector. The impacts of self-persuasion and contrast effect could be altered
by the length of time. Perhaps sector itself is not the best basis for distinction. Public and nonprofit organizations differ in size, age, population, technology, area, etc. These factors may more precisely predict an organization’s work motivational attitudes.

Summary

Does sector matter? While one argues that market and profit-making are the most critical determinants for operation and management, should there be any difference between two non-market organizations in terms of work motivational attitudes and other elements related to motivation and management? More specifically, does public-nonprofit distinction make any managerial difference?

My answer is positive – yes, public and nonprofit theories for management and work motivation should be more different than identical. Managers in public and nonprofit agencies do need different theories to direct them for more effective management. However, a “theory of sector comparison” requires more than a discussion of sector affiliation. Perhaps sector affiliation is a starting point, but real differences between two or more sectors are reflected not only in superficial appearance but on some other intricate aspects, which one should investigate via more sophisticated approaches such as mediation, moderation, and switching.

This dissertation just scratches the surface of these approaches, and it is not an end in multi-approach studies of sector comparison. A view of sector comparison will be more comprehensive if one simultaneously considers private, nonprofit, and public organizations. In addition, among the three approaches for comparative study indicated earlier, switching is the newest, but also the most underdeveloped approach. A theory of sector switching requires a variety of multi-dimensional dependent variables, independent variables, and empirical evidences to become mature. In sum, regardless of some limitations, the most valuable
The contribution of this contemporary study is its inclusion of diverse research approaches for studies of sector comparison and the initiation of a preliminary sector switching theory. I look forward to more efforts in broadening the scope of current research inquiries.
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