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Strategic Management in Public and Private Organizations: Implications of Distinctive Contexts and Constraints[1]

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Public and private sector strategic managers operate in different contexts that generate distinctive constraints on their behaviors and choices. Key constraints on public sector managers are identified in five propositions. Implications for the evaluation of public sector management and for the behavior of public managers are drawn. It is argued that application of private sector models to the public sector is problematic; that general models of strategic management are needed.

Wortman (1979), in a lengthy review, suggests that strategic management research is virtually nonexistent in public and other not-for-profit organizational contexts. He argues that the application of the principles of strategic management developed from private sector studies could help these public sector organizations because "few of [them] can be acknowledged as being creditably managed in either the short or long-term" (1979, p. 353). However, in reaching this conclusion, Wortman tends to ignore the context within which strategic management occurs, the constraints associated with particular contexts, and the limited ranges of managerial behavior that may be available in a given context. Consequently, he fails to acknowledge that these contexts and constraints may imply that evaluators and the criteria of evaluation of public management differ markedly from those of private sector management.

The context of strategic management can be defined as the societal role of the organization, and environmental, technological, and human resource factors. This paper argues that with changes in context, a unique set of managerial constraints arises (Stevens & McGowan, 1983). Following Thompson's (1967) lead, constraints are defined as fixed conditions (structural or procedural) that tend to exist for some period of time to which an organization and its management must adapt. Context also influences the nature of managerial behavior: the actions of a manager in arriving at a decision regarding how to deal with a given context (Simon, 1957). Managerial behavior is evaluated by a group of "relevant others" — the stakeholders of the organization. Using this general frame of reference as a basis for discussion, an attempt is made to demonstrate that aspects of strategic management in the public sector are likely to differ from those in the private sector. Dealing with these relatively unique needs may require managerial behavior different from that usually prescribed for private sector managers.

The Context of Strategic Management in the Public Sector

Basic distinctions do exist between the public and private sectors, and they are critical to understanding differences in strategic management processes. Perhaps the most fundamental of these

differences stems from organic law: constitutions. In an effort to maintain a separation of power, constitutional draftsmen sharply divided policy formulators from policy implementors. Thus, legislatures initiate, but generally do not implement, policy. Conversely, executive branch agencies often can pursue only legislatively authorized objectives.

It is difficult to conceive of situations in which top management teams in private sector organizations are prohibited by corporate charter from engaging in strategy implementation, or in which only "outside" directors can make major strategic decisions. To the contrary, a direct link between strategy formulation and implementation and the active involvement of all relevant parties throughout the process is deemed to be essential to effective private sector policy making.

Another constraint unique to public sector strategic management arises out of Civil Service reform. One of the objectives of reform was the insulation of government from excesses associated with the spoils system. The vehicle employed was a merit-based personnel system. Public employees no longer would be entirely dependent on the good graces of political bosses for employment, rewards, or advancement. The absence of this form of dependency relationship currently is most apparent in relations between high level federal political appointees and career Senior Executive Service members. In private sector organizations, however, dependencies of this sort are the rule rather than the exception.

Third, public organizations are much more open to the external environment. Constituents of the public sector, unlike their private sector counterparts, have direct, constitutionally or legislatively based avenues of access to strategy makers through, for example, sunshine provisions requiring open public meetings on most legislative matters. They demand, and invariably receive, the attention of their elected representatives. Failure to pay attention to these constituents invites grave risks for elected public sector officials, through processes such as the recall, referenda, or the initiative. Private sector chief executives or boards of directors, on the other hand, may ignore most constituents' demands for direct input to the policy formulation and implementation processes. Moreover, they gener-

ally can do so with relatively little risk to their careers or to their organizations' legitimacy and credibility.

In addition to these structural distinctions, Whorton and Worthley (1981) identify significant organization culture differences between the two sectors. They make special note of the paradox of public administration; that is, a constraining negative force that they term "bureaucracy" frequently is at odds with a positive force, the high ideals associated with public service. They identify a variey of circumstances in which public managers must cope with competing value systems, in addition to the demands normally associated with managerial life. In a similar vein, many behaviors that are viewed as acceptable strategic management in the private sector assume altogether different symbolic meaning in the public sector. For example, an outstanding performer awarded a bonus in a public organization often is perceived, instead, as a "crony." Finally, the public sector has established a number of formal processes, for example, ombudsmen and ethics committees, to monitor the conduct of public officials, parallels of which are rarely found in the private sector.

This brief outline of some of the factors (Figure 1) influencing strategic management in the public sector is not new, nor does it exhaust the distinctions. The purpose of identifying them is to provide a basis for five propositions outlining constraints related to strategic management in the public sector that are relatively unique to it and that generally are not accounted for in discussions of strategic management processes.

Differences in Strategic Management Between Public and Private Sectors

Policy Ambiguity

The general management functions of government are, as previously noted, constitutionally spread out (and separated) among and across federal, state, and local executive branches, more than one legislative body, and a variety of judiciaries. The purpose, Allison (1983) argues, is not to promote efficiency, but to prevent the arbitrary exercise of power. This separation of functional responsibility frequently contributes to vagueness

Figure 1
Illustrative Factors Involved in Influencing Strategic Management in the Public Sector
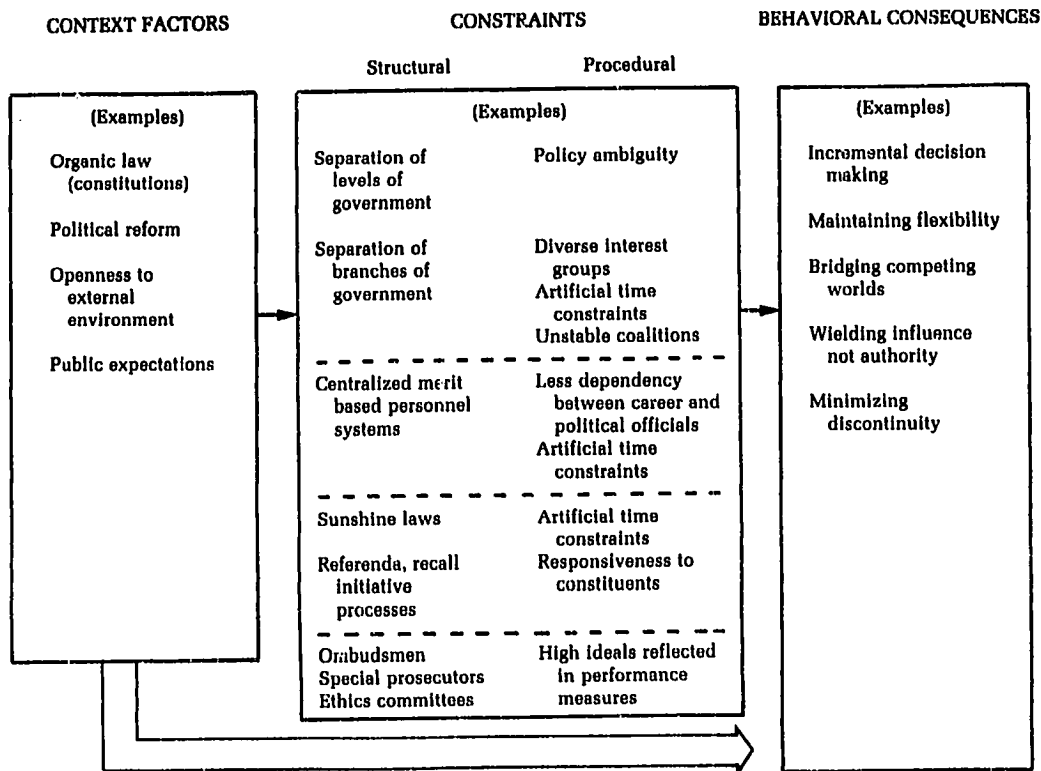
and/or ambiguity in policy and objectives which must be strategically managed.

Warwick (1975) argues that unlike the private firm, which more typically has entrepreneurial roots, public organizations are always created by some higher, controlling body. Ths body is composed of multiple and competing interests. Once created, the organization is largely dependent on that body for the definition of its objectives and the provision of its resources. One consequence, as Nutt (1979) points out, is that the individuals who comprise the higher controlling group frequently operate from agendas that are designed to benefit their own constituents, but not necessarily those of others in the controlling group. The competition among group members leads to negotiated compromises that are purposely vague.

The vagueness permits group members to go back to their constituents and declare "victory," pointing to provisions of the legislation that appear to favor the claims of their constituents.

Baumer (1978) provides yet another explanation for the public sector's lack of policy clarity: the need to create coalitions with multiple and often competing objectives in order to gain passage of legislation. The drive for enactment frequently obscures the issue of whether the multiple goals are compatible with one another. Thus, in the case of efforts to deregulate natural gas prices, significant specific exemptions from overall deregulation may be accorded a single state and its industries in order to obtain the support of a key member of the Senate.

Clear, unambiguous articulation of strategy by

public agencies can produce at least two counter-productive consequences. First, clearly articulated strategy may serve as a rallying device for mobilizing political opposition. Second, a clear policy directive may, as Mintzberg concluded from his analysis of strategy formulation during the Vietnam War period of 1965 to 1968, permit the "bureaucracy to run like an elephant" (1978, p. 947). Thus, clear and precise policy statements may lead public executives to believe there is less need for judgments of nuance, less need to exercise caution and discretion. This tendency may be of concern to all decision makers, but it can be particularly troublesome for public executives, given the autonomy of employees in Civil Service systems and the sensitive societal mission of most public organizations. Ambiguity in strategy, characteristic of many public organizations, therefore, may be an asset.

In contrast, private sector organizations generally operate within the framework of a limited number of relatively stable goals such as growth, profitability, or market share. And as Peters and Waterman (1982) note, the top managements of more effective organizations appear to focus their attention on a limited set of clearly defined objectives.

As a consequence of fundamental structural differences between the sectors, and as a result of attempts to resolve competing demands from the multiple constituencies of public sector organizations, the following proposition describes an important distinction between public and private sector strategic management processes:

Proposition 1: Policy directives tend to be more ill-defined for public than for private organizations.

The Openness of Government

The role the media play is cited frequently as one of the major differences in the work lives of public and private managers (Bernstein, 1958; Bower, 1977; Heclo, 1977; Rainey, Backoff, & Levine, 1976; and Rourke, 1976). The empirical evidence leading to the conclusion that government policymaking is a more open process receives additional substantiation from executives who have managed in both sectors.

Michael Blumenthal (1979), former Secretary of the Treasury and President of Bendix, notes that in public policy debates, any previous position may be thrown back in one's face. And he bemoans the fact that he could not change his mind in Washington at anywhere near the same rate as he could in business without running the risk of publicly being called inconsistent.

Other former high government officials have characterized their experiences as "fishbowls" (Malek, 1972; Rumsfeld, 1979). They found press coverage so intense that, in comparison to their experiences in the business world, policy had a tendency to be exposed to public scrutiny much sooner, to be dissected much more thoroughly, and not infrequently to be killed before it ever really got off the drawing boards. Blumenthal (1979) argues that individuals, as well as groups, have learned how to play the Washington press in order to halt policy initiatives that an executive might be contemplating. Examples abound of the constraints imposed on government managers as a consequence of the high degree of openness. Former Interior Secretary Watt's attempts to enter into coal leases on federal lands were challenged in the courts well before any formal agreements could be completed. In general, the Interior Department's ability to pursue the administration's objectives regarding federal lands policy was significantly constrained by intense media scrutiny of Watt's every public statement.

Clearly, both research and reminiscence indicate that the media and other institutions impede thorough discussion of issues and lead policy makers to be concerned with how policy will look as well as how it will work. Thus, it appears to be the case that:

Proposition 2. The relative openness of decision making creates greater constraints for public sector executives and managers than for their private sector counterparts.

Attentive Publics

The relative openness of public sector organizations is not defined exclusively by the attention of the media. Public sector executives and top managers must pay much more attention to a diverse public, in general, than private sector managers. Rainey et al. (1976) highlight the rich variety of competing interests, inside and outside the organization, experienced by public sec-

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tor organizations. Warwick (1975) observed the existence of a wide variety of "controllers," "higher authorities," and "monitors" in the external environment, all of whom constrained the actions of State Department officials. Cleveland, pointing to the then-existing lack of policy on energy as an example, observed: "When the people haven't decided that they want a policy yet, there isn't any policy, no matter what Washington does" (1979, p. 20). Allison (1983) identifies this diversity of external attention getters as a major difference between the two sectors. Blumenthal (1979), taking a slightly different tack, argues that his efforts to develop policy within the Treasury were constrained by the belief held by many of his own subordinates, especially career civil servants, that they had the right to be in on the decision making process. In contrast, at Bendix he could absolutely limit participation as he saw fit.

It thus seems clear that the strategic management process in the public sector must take account of a wide range of stakeholder interests. In addition, these stakeholders are likely to evaluate the results of the strategic management process quite differently, often reaching conclusions that are difficult to reconcile. Deregulation of the financial services industry provides an excellent example of the constraints that competing stakeholder interests pose for public policymakers. Congressional testimony suggests that Treasury and Federal Reserve Bank officials see the issues of deregulation in quite different terms, as do a number of members of Congress. Further, the objectives of large commercial banks differ from those of smaller ones, and both large and smaller banks evaluate policy formation from a different perspective than do thrifts, savings and loans, credit unions, Sears, American Express, or other financial intermediaries. It is equally clear that the general public's primary concerns regarding banking deregulation are not necessarily identical with those of any of the other stakeholders just identified. Under such circumstances, it is not difficult to reach the conclusion that:

Proposition 3: Public sector policymakers are generally subject to more direct and sustained influence from a greater number of interest groups than are executives or managers in the private sector.

The Time Problem

Although time constraints in each sector may be equally severe, the sources and nature of these constraints are fundamentally different. Time becomes a major constraining factor in public strategic management processes in two important ways. The first is associated with the tenure of public officials; that is, their length of stay with an agency (Heclo, 1977; Malek, 1972). The second involves time constraints that are legislatively imposed, court imposed, or created by the exigencies of elective political office. See, for example, Allison (1983) and Bower (1977). Time appears to be a less critical distinguishing factor in the "gestation" period of a policy issue, however. Thus, time constraints for public organizations tend to be generated by legislatures, funding exigencies, or the employment length of public officials. On the other hand, time constraints in the private sector tend to be defined by the type and rate of market (broadly defined) changes. Moreover, the time constraints that private sector managers face appear to arise out of the natural interaction of market forces, but those confronting public sector managers more frequently appear to be related to a lack of coordination among subsystems and thus tend to be more artificially imposed upon those managers.

An excellent example of the constraints that time can create for public sector strategic management processes can be found in the case of the first major overhaul of the federal personnel system in nearly 100 years: The Civil Service Reform Act of 1978. As one of the major "promises" of candidate Carter, the newly elected administration was under pressure to produce quickly a piece of legislation on which Congress could act. There also was pressure to get the reforms implemented. Thus, the legislation mandated implementation of key components of the Act within very specific time frames and, generally, without regard to the interactive nature of some of the reforms. As it happened, before some of the reforms were fully implemented the Carter administration had been rejected by the voters, and a new set of political executives were left to complete the implementation process.

In sum, it appears that public managers face time constraints in dealing with the strategic man-

agement of policy implementation quite unlike those that their private sector counterparts confront. Cleveland describes it thusly: "We are tackling 20-year problems with five-year plans staffed with two-year personnel funded by one-year appropriations" (1979, p. 25). Consequently:

Proposition 4: Public sector management must cope with time constraints that are more artificial than those that confront private sector management.

Shaky Coalitions

The four propositions developed thus far are not independent of each other. Quite clearly the constraints imposed by openness and multiple publics, coupled with contingencies of time, when compounded by policy vagueness and/or ambiguity, can and frequently do create significant problems in the implementation of policy (Pressman & Wildavsky, 1979). Viewed in this light, it is hardly surprising that policy formation in the public sector frequently is a process of coalition building involving diverse, and ofttimes competing interests.

A different sort of public sector constraint associated with strategy implementation is identified by Nakamura (1980). He describes three kinds of legislative coalitions: (a) those that dissolve into constituent parts upon passage of legislation; (b) those that partially dissolve; and (c) those that persist. The distinction to be made here between public and private sector management is that public sector executives, unlike those in the private sector, frequently must create *internal* coalitions to get policy passed, but these coalitions may and often do break up during implementation. This condition is exacerbated by the great variety of public sector stakeholder groups with direct access to the policymaking process and direct interests in outcomes.

Rourke (1976) provides insight into a unique aspect of the problem: splits between political and career executives within an agency or an administration. He cites three examples resulting in bureaucratic defiance during the Nixon administration: the war in Vietnam, cutbacks in domestic welfare programs, and a weakening of civil rights enforcements. He also notes the intrusion of unions into the realm of public policy and executive decision making, a situation that adds to the instability of majority coalitions required

to obtain passage of complex legislation in a pluralistic society.

These factors can lead to control problems in the implementation of policy. Michael Blumenthal (1979) observed that in business he could decide what the policy should be, delegate to those who would develop it, take it to the board, get it approved, and then control the process of implementation. He found that this simply was not the case in Washington. George Romney put the matter more bluntly: "Being Governor of Michigan . . . is like being quarterback of a team chosen by your opponents" (Meyers, 1964, p. 134).

Illustrative of these kinds of control problems and the constraints they create is the case of withholding on savings accounts. Although the Reagan administration was able to put together a coalition of Republicans and Democrats large enough to gain passage of the law, it was repealed prior to the date on which it was scheduled to go into effect. Similarly, the same administraton has had difficulty in developing a solid front on economic policy and in gaining consensus from the Council on Economic Advisors and Secretary of the Treasury. The problem is not peculiar to a particular administration. Presidents Carter and Ford experienced similar difficulties on energy and inflation issues. Thus, there appears to be considerable evidence to justify the conclusion that:

Proposition 5: Policy legitimation coalitions are less stable in the public sector and are more prone to disintegrate during policy implementation.

Implications

These propositions carry a number of important implications. One is that strategic management in the public sector may be extremely difficult. Under such circumstances, if public sector performance is judged against a normative model of strategic management developed in the private sector, it is likely to be found inadequate. However, judged against standards grounded in the public sector, different conclusions might be drawn. Expectations about the a priori probabilities of the success of programs, the criteria of performance, and actual assessments of accomplishment are all likely to change if alternative normative models are used. For instance, Pressman and Wildavsky (1979) concluded from their

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analysis of a federal economic development program in Oakland that the complexity of policy implementation usually keeps new public programs from getting off the ground. A priori probabilities of success for public programs therefore should be quite low. With respect to performance criteria, Aharoni (1981) has argued that research on state-owned enterprises (SOEs), a particular type of public organization, has focused on how these enterprises should behave rather than on how they do behave. Zif (1981) found that increasing political and external orientation of SOEs was associated with their pursuit of goals quite different from private enterprises, for example, sales rather than profit goals and low prices relative to costs. Thus performance criteria for public organizations, the ultimate basis for judgments about management's performance, also appear to differ qualitatively from those of the private sector. Goodsell (1983) goes one step further after reviewing survey data on public social service clients, arguing that client satisfaction surveys reflect a level of high performance by public bureaucracies, contrary to popular opinion.

These observations about evaluation of public sector strategic management are not intended as an apology for real inadequacies, but instead to illustrate the subjectivity and probable biases of conventional wisdom premised on private sector norms (Wortman, 1979). Despite these arguments, however, it should be reiterated that the American political culture will continue to set high and frequently unattainable standards for performance in the public sector. It is unlikely, therefore, that the general public will change their expectations for public institutions. On the other hand, scholars need to distinguish between performance expectations derived from political culture and ideology and those based on technical feasibility.

Another implication of the propositions is that the distinctive constraints imposed by the public context require a significantly different set of behavioral responses from public strategic managers. The existence of incremental politics (Lindblom, 1979) suggests that rational, comprehensive policy models—for example, planning modes (Mintzberg, 1978)—will rarely be appropriate in the public sector. In contrast, disjointed incrementalism or other calculated means for the simplification of complex problems may be extremely useful approaches to problem solving. Mintzberg (1978) suggests that the conventional wisdom of strategy formulation that emphasizes the need to state goals precisely, assess strengths and weaknesses, and make strategy explicit may mislead organizations, such as those in the public sector, that face a confusing reality.

There is additional evidence (Allison, 1971; Cyert & March, 1963; March & Simon, 1958; Murray, 1978; Pettigrew, 1973; Quinn, 1980) that processes other than those associated with rational models are employed quite frequently in large organizations, but the issue of whether such models ought to be employed remains an open question. The constraints to strategic management associated with the propositions set out above appear to be more easily managed by incremental processes than by those that are rigidly planned. To the extent that incremental and/or emergent strategies enable public organizations to be more responsive to the needs or demands of their constituents, they are likely to be more effective. Whether use of these processes makes public organizations less efficient in utilizing scarce resources appears to be a more debatable question.

The strategic management issues confronting public organizations can be characterized using Mintzberg's (1978) typology of deliberate (intended strategies that are realized), unrealized (intended strategies that are not realized), and emergent (realized strategies that were never intended) strategies. Given previous arguments regarding policy ambiguity, open and intense influence processes, and coalition instability, public organizations can be characterized as low on deliberate strategy and high on emergent and unrealized strategy. If this characterization is correct, any manager who is unable, for instance, to relinquish intended strategies in order to pursue emergent strategies is likely to fail. A few threads of empirical evidence suggest that this may be the case. For instance, in a study of public and private managers' use of time, Porter and Van Maanen (1970) found that the most effective public managers, in contrast to their private counterparts, avoided rigid time allocations but instead adapted to external demands. A recent empirical study (Wechsler, Backoff, & Kump, 1983) of strategy in six agencies of state govern-

ment in Ohio concluded that patterns of strategy depended more frequently on ecological factors than on managerial intention. Although alternative inferences might be drawn from this evidence, it suggests that attention to emergent rather than intended strategies may be a key feature of successful strategic management in the public sector. Certainly the evidence supports the conclusion that, in probabilistic terms, strategy in the public sector tends towards the emergent rather than the deliberate.

Cumulatively, the five propositions represent a set of demands that affect the behavior of those who manage the strategy process in the public sector. In responding to these demands, successful public managers resort to processes and employ skills that frequently differ from those associated with strategic management in the private sector, although Quinn (1980) prescribes similar behavior for private sector managers. The processes and skills that public sector managers tend to rely on in coping with the demands associated with the five propositions can be grouped under the following types of behavior, especially at higher levels of the organization.

Maintaining Flexibility

If the strategy process tends to be emergent and more open to exogenous influences, flexibility and adaptability appear to be required of public managers. This might require, for example, the loose coupling of personal staffs with internal and external elements of the organization.

In all likelihood, the need for adaptive behavior also means that successful public managers, particularly those at the very highest levels of government, avoid becoming deeply immersed in the details of policy. Instead, they are more likely to be skilled at managing the policy agenda, moving items on and off as events largely external to the organization dictate. Because they are likely to be subject to intense media scrutiny, it also is probable that they will learn to avoid making public statements that prematurely commit themselves, or their agencies, to a given set of objectives. Successful adaptive behavior also appears to be associated with the ability to act quickly, to interpret the law "creatively," and to reduce the necessity for multiple clearances in implementing policy (Pressman & Wildavsky,

1979). Finally, it seems likely that the successful manager will avoid using preprogrammed responses, standard operating procedures, and the like as control mechanisms.

Bridging Competing Worlds

Public managers frequently function in two (or more) different cultural contexts. The prevailing ethos of democratic institutions mandates setting a tone of high moral character for the strategic management process (Weinberg, 1977). At the same time, large segments of the public demand efficiency. They want the tasks of government accomplished without waste. Others, however, expect equity in its outcomes (Bower, 1983). Government must treat all its constituents fairly.

The internal organization that the political executive manages frequently is a foreign and hostile one, especially in the first few months after appointment or election to the office. At the same time the executive must learn to cope with other elements of the triangular relationships that frequently characterize public sector policy processes: competing constituent groups and legislative officials. Thus, the political executive must bridge competing demands within the structure of government, in addition to bridging competing cultures outside the formal structure.

Coping with all these competing demands is likely to require managers who display the attributes of marginality (Cotton, 1977). Skills associated with a marginal orientation include the ability to integrate competing viewpoints in decisions (Liddell, 1973), a self-other orientation and maintenance of low levels of dogmatism (Ziller, Stark, & Pruden, 1969), and openmindedness (Pruden & Stark, 1971). The attributes of marginality permit a manager to adapt to situations that require the manager to change hats, look to a new constituency, and explain the "facts" in new circumstances.

Wielding Influence, Not Authority

That many of the key actors in the strategic management process are external to a focal organization implies that the skillful exercise of influence is likely to be more critical than the wielding of authority. The manager must cope with confrontation, without being confrontational. As

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Sabatier and Mazmanian (1979) point out, successful policy implementation may require good political skills, the development and maintenance of good working relationships with others, and especially the capacity to convince those opposed to, or adversely affected by, policy that they are being treated fairly. Achieving these objectives is likely to require frequent meetings with, and obtaining policy inputs from, those not under a manager's direct control.

The need to communicate effectively and quickly with large numbers of constituent groups, many of which may be shaky coalitions, or to marshal their support for policy, creates special problems for managers who have no authority over these groups. In such circumstances the use of symbols, rather than facts, more probably will provide the means of effective management of external relations, especially those with the media (Edelman, 1964).

Finally, though elected and appointed officials have constitutionally based authority to run the government, the creation of merit based personnel systems resulted in the effective separation of the work force from the political executive's direct and immediate control. Thus, the formal protections of these systems, coupled with the existence of employee unions, is likely to place a premium on the use of influence rather than authority in managing policy within the organization. It also may require an ability to maintain high morale within the agency, managing internal dissent by influence rather than authority.

Minimizing Discontinuity

In many respects, strategic management in the public sector entails the management of discontinuity. Coalitions are unstable, political executive tenure is brief, agendas change constantly. Successful public sector managers act to minimize discontinuity and bridge the gaps that it leaves in its wake. At the highest levels, this probably means that the manager, upon election or appointment, lands running. Light's (1981) investigation of the transition process suggests the absolute necessity of staff selection and policy development prior to assuming office. Weinberg (1977) describes a variety of "situational resources" or skills that she found minimized the effects of discontinuity: knowledge of the

jurisdiction and political climate, the ability to define the management task clearly, the level of technical expertise brought to office, and the ability to establish and exercise authority clearly. The need to bridge discontinuity also implies, for public managers, skills that range from the identification and allocation of resources to the creation, proper care, and feeding of coalitions. Bridging the gaps of discontinuity also may demand the capacity to mobilize latent constituencies (Sabatier & Mazmanian, 1979).

These behaviors indicate the types of responses managers are likely to use in directing strategy while meeting the demands posed by the five propositions. These behaviors normally will be used in conjunction with calculated strategies for the simplification of complex problems. Moreover, as implied in the propositions, normative models grounded in the public sector are necessary for judging the adequacy of strategic management in public organizations.

Conclusion

Although the propositions presented are intended to reflect some of the unique aspects of strategic management in public organizations, they also may have application for strategic management in some private sector contexts. For example, Snow and Hrebiniak (1980) were surprised to find a significant amount of self-reported reactor behavior, implied as pathological by Miles and Snow (1978), among organizations in regulated industries. Such behavior, however, may be appropriate in dealing with the constraints associated with a regulatory context. Similarly, Miles' (1982) analysis of the tobacco industry indicates that the differing contexts of domain creation, domain defense, and domain offense give rise to distinctive sets of constraints, each of which appears to call for its own approach to strategic management.

In addition to the potential for practical application, the propositions and the implications drawn from them give rise to several fundamental research questions. First, building on Bracker's (1980) work, if the field of strategic management is to continue to evolve beyond the mere study of corporate level strategy or business level policy, it clearly requires the development of models

with more general applicability. This paper presents a reasonable argument that existing models do not capture the legitimate strategic management processes required by the differing contexts of the public sector.

Second, more research on strategic management processes must be undertaken within a framework that recognizes the existence of separate sets of rules governing organizational conduct within the two sectors. The literature clearly establishes that there are accepted standards that apply, quite appropriately, only to market conduct and those that apply only to political economies, democratic or otherwise (Lindblom, 1977).

Third, implications regarding the four types of managerial behavior just discussed have been drawn without regard for the possibility that each may require a different managerial focus, contingent upon what it is that is being managed—for example, constituent expectation or human resources. Research exploring this issue within public organizations and across the two sectors appears warranted.

In short, a strong case has been made that a number of research issues related to strategic management processes might profitably be explored prior to concluding that private sector models have general application to public sector organizations. It is hoped that questions raised by this paper will stimulate additional critical thought and research on strategic management processes in both the public and private sectors.

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