# UNIVERSITY OF OKLAHOMA GRADUATE COLLEGE

# CITIZENS AND SECTORS: AN EXAMINATION OF SECTOR PREFERENCES AND BLAME ATTRIBUTION DURING TIMES OF CERTAINTY AND UNCERTAINTY

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# CITIZENS AND SECTORS: AN EXAMINATION OF SECTOR PREFERENCES AND BLAME ATTRIBUTION DURING TIMES OF CERTAINTY AND UNCERTAINTY

# A DISSERTATION APPROVED FOR THE DEPARTMENT OF POLITICAL SCIENCE

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"Find something you're passionate about and keep tremendously interested in it."

– Julia Child

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## **Abstract**

The current era of sector convergence and blurred sector boundaries introduces important implications for the study of public and private management. This sector shifting leaves open central questions related to how citizens perceive, interact, and experience public service deliveries and additionally hold organizations accountable in multi-sector marketplaces. This dissertation explores the role of sector in citizens' lives, particularly in their roles as citizen-consumers and citizen-observers, where they experience and evaluate the services provided to them and to others. Central to this over-arching study are individuals' expanding function in the citizen-bureaucratic accountability chain and when public service deliveries fail to be adequately provided, how do citizens perceive organizations across sectors? Do these overall perceptions and preferences for sector providers vary by sector and to what extent do they change in negative situations such as in a case of an organizational crisis, which initiates a revaluation of an individuals' expectations and perceptions broadly defined.

While studies have contributed to our understanding of citizens' baseline attitudes toward sectors including general and specific ownership types, a comprehensive comparison of sector providers including all three—government (public), private for-profit, and nonprofit organizations has been lacking when compared altogether. Studies have indicated that sector matters to citizens in various contexts and that there may even be biases against or for particular providers, which has deep implications for not only scholars and our understanding of sector theory, but important factors for practitioners in their role to see how citizens view their organization whether favorably or unfavorably across different conditions. This dissertation provides a theoretical framework and a foundation to understanding citizens' perceptions of sectors and how certain factors can influence individuals' views and behaviors across various

conditions. An experimental survey was employed using Lucid Theorem to investigate citizens' preferences for public services at a baseline, but further expanding our understanding of how citizens' preferences change and vary, while additionally examining how citizens blame sector providers when a service delivery failure occurs. This comparative exploration and analysis of sectors interacted with citizens' experiences makes a prominent contribution to literature on sector theory, democratic and bureaucratic accountability, and blame attribution theory.

Chapter 1 introduces the dissertation through the backdrop of sector blurring and the sector converging that is prevalent today. Chapter 2 provides the theoretical framework of the dissertation. After the theoretical concepts and constructs as well as background information is provided, the following three chapters pivot to empirically examining sectors and citizens' perceptions. Chapter 3 examines how citizens preferences to sector change when an organizational crisis is introduced and initiates citizens to reevaluate their original preferences. Chapter 4 adds to blame attribution theory studies that have looked at how organizations are blamed differently across sectors. Lastly, in terms of empirical work, Chapter 5 breaks down blame attribution by sector and by role in order to explore the effects of citizens' blame when specific roles are introduced while additionally seeing if blame varies if a particular organizational role increases the distribution of blame as it interacts with sector. The dissertation concludes with a final discussion of the overall findings and provides a foundation for examining sectors and citizens' experiences moving forward. Ultimately, the dissertation shows that sector does matter to citizens and that individuals recognize and reevaluate their original preferences and overall perceptions toward sector. Mixed results from previous studies have shown differences in citizens' understanding of sector, but it should be emphasized that there are reasonable steps ahead to examine these roles across conditions.

## **Chapter 1: Introduction**

Today, public services are delivered to citizens across a vast blurred space over sector boundaries. Largely, the ownership and distribution of these services come about through organizational efforts of three main sectors: nonprofit, public (government), and private (forprofit). Although, other configurations exist across other countries and in unique economic market arrangements, the three-sector setup is common throughout the world. In this arrangement, sectors may take the sole responsibility of the provision of services, the funding, or simply assist in the distribution against the backdrop of government failure, commercialization, and privatization efforts.

Scholars have wrestled with sector-specific questions related to boundaries and appropriate attributes attached to different ownership types with some noteworthy attempts trying to answer questions related to publicness theory (Bozeman and Bretschneider, 1994; Moulton and Eckerd, 2012), distinctiveness of the sector (Bozeman, 1988; Rainey, 2009, 2020; Witesman, Silvia, and Child, 2022) and practices of public, private, and nonprofit management (Allison, 1980; Baldwin, 1987; Rainey and Bozeman, 2000). These among several other studies contributions highlight some of the significant work being done to understand the ultimate relevance and perceptions of sector. However, we are only in the early stages of developing strong sector theory and further engagement across disciplines with normative and empirical power will help us bridge the sector divide between the fields.

Understanding the relevance and recognition of sector can be critical for the study of public and private management due to the relationship service providers have with citizens as consumers and as participant observers (Farwell et. al, 2019; Pegnato, 1997, Smith and Huntsman, 1997; Thomas, 2013; van de Walle, 2018, Van Slyke and Roch, 2004).

Practitioners across sectors and the academic community can benefit from new knowledge pertaining to citizen interactions, perceptions, and experiences with public services and their abilities to hold organizations accountable in multi-sector marketplaces. This dissertation explores the part of sector in citizens' lives, particularly in their roles as citizen-consumers and citizen-observers, where they experience and evaluate the services provided to them and to other members of the general public. Central to this over-arching study is citizens enlarged function in the citizen-bureaucratic accountability chain. Particularly when public service deliveries fail to be adequately provided, how do citizens perceive those associated organizations across sectors? Do these overall perceptions and preferences for providers vary by sector and to what extent do they change in negative situations such as in a case of an organizational crisis, which initiates a revaluation of an individuals' expectations and perceptions broadly defined.

While studies have contributed to our understanding of citizens' baseline attitudes toward sectors including general and specific ownership types (Handy, et. al, 2010; Drevs et. al, 2014), a comprehensive comparison of sector providers including all three – government (public), private for-profit, and nonprofit organizations has been profoundly lacking in research endeavors up to this point, especially in terms of the deep contrasts that could be conjectured. Studies have suggested that sector matters to citizens in a variety of ways with the public even possessing biases against or for particular sector providers (Handy, et. al, 2010; Marvel, 2015; Marvel, 2016). The ways in which opinions held by the public stay constant or change has deep implications for not only for our understanding of sector theory, but important factors for practitioners in their role in assessing citizens' view of their organization—whether they are favorably or unfavorably viewed across different conditions. This dissertation provides a

theoretical framework and a foundation to understanding citizens' perceptions of organizations as they vary by sector. Secondly, the dissertation examines factors that moderate or influence individuals' views, behaviors, and attributed blame across various conditions including the extent to which specific organizational roles are blamed after being named when a crisis occurred. A few core studies have been centered on blame attribution theory and accountability providing answers as to how the citizens attribute blame or punish organizations and specific individuals for service delivery failures or crises in a range of scenarios (Piatak, Mohr, and Leland, 2017; Leland, Mohr, and Piatak, 2021). Blame attribution research focuses chiefly on explanations of individual behavior (Malle, 2011), and specifically blame. How an individual blames an actor associated with a problem is configured by the context, motives, and information an individual will possess about a specific negative outcome (Hamilton, 1978). For individuals to assign blame, a specific actor's level of control, responsibility, culpability, and close connection to an outcome must be considered (Alicke, 2000; Alicke et. al, 2008).

Lately, fields of psychology, public administration, and political science have teamed together to enhance behavior research and especially a marked rise of behavioral public administration research has been firmly associated with blame attribution, trust, and reputation-related studies. Experimental designs brought in through psychology and the interaction with public management questions can help us answer important questions about public behaviors and reactions toward organizations, especially public opinion-related inquiries directed toward citizens. Importantly, the intensified access to media (including social media) has provided more opportunities for citizens to learn observe organizations and respective actors who are implicated or discussed in the context of a crisis –thus increasing the level of scrutiny regarding negative issues or problems such as crises (Robert & Lajtha, 2002; Scurlock, Dolsak, Prakash, 2020).

In order to examine these questions, an experimental survey was employed using Lucid Theorem to investigate citizens' preferences for public services at a baseline but going further and enriching our understanding of how citizens' preferences and overall perceptions change across conditions. Additionally, the survey measured the extent to which citizens blame sector providers and specific positions within an organization when a service delivery failure occurs. This comparative exploration and analysis interacted with citizens' experiences makes a significant contribution to literature on sector theory, democratic and bureaucratic accountability, and blame attribution theory.

Following this introductory section of the dissertation, Chapter 2 provides the theoretical framework of the dissertation. This dissertation's foundation is grounded on several important theoretical contributions including blame attribution theory (James et. al, 2016; Marvel and Girth, 2016; Malle, 2011; Heider, 1958; Alicke, 2000; Alicke et al. 2008; Schlenker et. al, 1994), accountability, (Achen and Bartels, 2017; Pande, 2011; Downs, 1957; Fama & Jensen, 1983) sector bias and preferences (Marvel, 2015; Marvel, 2016; Meier, Johnson, and An, 2019; Meier, Song, Davis, and Amirkhanyan, forthcoming; Drevs, Tscheulin, and Lindenmeier, 2014; Handy, Seto, Wakaruk, Mersey, Meija, and Copeland, 2010), and organizational crises or scandals brought on by individual and/or widespread failure (Alink et. al, 2001; Boin and 't Hart, 2000; Boin et. al, 2009).

All of these important theoretical contributions must be announced behind the backdrop of sector convergence and the increased interaction citizens have with multi-sector marketplaces. Importantly, it is becoming a new normal that the three types of providers (government, public, and for-profit) compete and exist in the same domains, subsectors, or service areas such as hospitals, education, mental health, and job training (Handy et. al, 2010). The fact that this

shifting is occurring provides a strong reason to examine citizen perceptions and related behaviors. Particularly over the last few decades, increased privatization efforts (Osborne and Gaebler, 1992; Box, 1999; Kettl, 2002; McLaughlin et al. 2002) contracting out, and New Public Management efforts have been evident in cross-sector arrangements, hybrid organizations, and increased public-private partnerships have opened new opportunities for producers to provide services in similar venues – thus leaving individuals with further options to choose across each sector in a growing mixed-market economy (Salamon, 2002). Due to these higher number of multi-sector service delivery areas, there is a need to ask further questions related to sector differences especially as mature theory that once suggested sector distinctions and separate private, public, and nonprofit entities, which may not necessarily be the case to the same extent today (Rainey, et. al, 1976). As previously mentioned as the mixed marketplace opportunities grow, all three sectors enter into competition with one another and compete for resources, chief among them – consumers (Marvel, 2015; Ben-Ner, 2002; Witesman, et. al, 2022).

After the theoretical framework is provided separately in its own distinct chapter, Chapter 3 initiates the first of three empirical chapters, which are fashioned purely as three separate articles. Chapter 3 examines citizens' perceptions of organizations and particularly in this chapter, I focus on citizens' initial baseline preferences for sector providers and how those change when a crisis occurs, and a sector hospital is implicated in a data breach. Throughout the overall project, a specific space of study had to be found that would provide reasonable opportunity to compare sector organizations, thus, U.S. hospitals were chosen which have been used previously in other public administration-nonprofit studies (Handy, et al, 2010; Meier, et. al, 2019; Ruddle, Robinson, Fister, 2022). Little attention has been given to understanding let alone comparing citizens' sector preferences in normal and uncertain times such as crises. Yet,

there is reasonable expectations and theoretical insight to suggest the public has expectations and even a bias toward certain sectors (Marvel, 2015; 2016). How does an organizational crisis change those preferences? The study for this chapter measures sector preferences before and after organizational crisis is introduced in a survey vignette in which citizens reevaluate their original preferences and are able pivot toward other sector providers.

Chapter 4 adds to blame attribution theory studies that have looked at how organizations are blamed differently across sectors. Using the same survey as was previously discussed, the paper discusses citizen blame measured after a crisis is introduced and respondents are only treated to one specific sector out of three main treatment blocks—nonprofit, public, and forprofit. Additionally, after running initial analysis, a multivariate regression is employed to see the impact of other predictor variables on respondents' decision to attribute blame toward the hospital.

Lastly, in terms of empirical work, Chapter 5 breaks down blame attribution by sector and by role, seeing the effects of citizens' blame when specific roles are introduced and seeing if blame varies if a particular organizational role increases the distribution of blame as it interacts with sector. I use the same previous survey data that was outlined in the earlier empirical chapters.

The dissertation concludes with a final discussion in Chapter 6 of the overall findings and provides a foundation for examining sectors and citizens' experiences moving forward.

# **Chapter 2: Theoretical Framework**

Today, citizens rely on a broad variety of public service deliveries that are distributed through the public, private, and nonprofit sectors (Handy, et. al., 2010). Importantly, the phenomena of contracting-out, multi-sector collaboration, and public-private partnerships speak to sector boundaries increasingly becoming blurred, but also a greater number of service options have emerged for the public to access (Johnston and Romzek, 1999; Milward and Provan, 2000; Smith and Lipsky, 1993). Over the last few decades, citizens' interaction with different sector providers has been on the rise, especially outside the traditional sector spaces (Kettl, 1993; Smith and Lipsky, 1993). Citizens' new access and ability to choose from different service providers in the backdrop of these boundary shifts have ultimately given citizens a more expansive role, first, in selecting from different providers across sectors, and secondly, holding organizations accountable when delivering across similar service delivery contexts, such as education, jobworker placement services, hospitals, or the healthcare subsector.

As citizens possess a more extensive role in terms of consumer/observer power and accountability toward organizations, there are several important questions that are left unanswered related to citizens' recognition and preferences for organizations. Additionally, we are only beginning to examine the degree and extent to which organizations across different sector types are held accountable by citizens. This chapter provides a core theoretical framework for these types of questions that will be discussed throughout the dissertation. Primarily, the dissertation and respective chapters focus on the following theoretical insights: sector theory, citizens' recognition of sector via sector preferences, citizen accountability, organizational crises, and blame attribution theory (toward organizations and organizational roles).

#### **Citizens and Sectors**

Service deliveries are generally distributed through three unique sectors: public (government), private (for-profit), and nonprofit. These sector types establish and distribute services to citizens based on a recipient's role as an individual consumer and/or as an individual taxpayer, donor (Olson, 1965; Ostrom, 2009). Additionally, legal constraints and funding sources (i.e., consumer payments, taxes, or various redistributive policies) assist in the distribution of services across different subsector contexts. Early, but critical foundations of sector theory emphasize the importance of sector origins, the role of authority across different ownership types and legal frameworks across each sector (Bozeman, 1988; Rosenbloom, 2016; Rainey, 2020). Prior literature related to sector theory has spent significant time exploring sector distinctiveness and unique characteristics via publicness theory (Bozeman and Bretschneider, 1994; Rainey, 2009). Furthermore, several undertakings have tried to compare sector types across different contexts (Bromley and Meyer, 2017; Bozeman and Moulton, 2011).

Fundamentally, public (government) and nonprofit organizations focus primarily on distributing public benefits to citizens and the society at-large. Nonprofits and government entities are generally encouraged to express public values, which are not typically espoused by a typical private for-profit firm (Jorgensen and Bozeman, 2007). A private for-profit firm has its own important purpose and function, which as can be associated with the for-profit motive that essentially explains an organization's aspiration of profit maximization, lower costs, and higher efficiencies. Nonprofits have a core legal provision that prohibits the organization and respective members from distributing profits to shareholders. This non-distribution constraint stipulates a unique understanding that quality will be stressed over profits (Hansmann, 1980; 1981).

Government-owned organizations have essentially performed under similar restrictions and for

similar purposes as nonprofits (Rainey, 2009). However, public organizations via government originate through a collective arrangement while nonprofits, typically identified as charitable organizations are created by private individuals, which is similar to private for-profit firms. But as mentioned previously, the non-distribution constraint and the for-profit motives set each other apart in terms of organizational characteristics.

Importantly while there are apparent sector distinctions and traditional service roles for each sector, in the context of governance today, it is more common that these three types of providers (government, nonprofit, and for-profit) compete and exist in the same domains, subsectors, or service areas. Starting in the late 1980s and into the present day, increased commercialization, privatization efforts (Osborne and Gaebler, 1992; Box, 1999; Kettl, 2002; McLaughlin et al., 2002) contracting out, and New Public Management signaled that these types of hybrid and cross-sector arrangements were a necessary feature of good governance. These among other sector developments over the last few decades have unlocked new opportunities for producers to provide services in similar subsectors, but also given citizens and potential consumers other options and choices across different sector providers in a growing mixed-market economy (Salamon, 2002). A few examples where sectors have emerged in the same areas include health care, hospitals, education, mental health, and job training (Handy et. al, 2010).

Due to these shifts in governance arrangements and increased multi-sector marketplaces which the public interacts with routinely, significant research opportunities lie ahead. Research trying to examine sector theory should be reevaluating prior research undertakings that came from theoretical insights that once emphasized distinct private, public, and nonprofit entities. While there are indications that sectors operate and are perceived to exist to some degree in distinct spaces, this notion of distinctives is not necessarily as helpful in understanding real

citizen experiences across sectors today (Rainey, et. al, 1976). The mixed-market economy that currently permeates most of the globe highlights several spaces where nonprofits, for-profits, and public organizations are competing in the same consumer and social good marketplaces (Marvel, 2015; Ben-Ner, 2002; Witesman, et. al, 2022). These notable shifts from more clearly distinct or well-defined boundaries to an era of sector convergence and blurred sector frontiers calls for new and original research questions that reexamine governance arrangements, but also citizens' experiences with sector providers. These shifting boundaries, the subsequent expansion of citizens' role in choosing goods and observing sector service providers speaks to a major obligation of scholars and practitioners to further examine citizen perceptions, preferences, and overall interaction with organizations across each sector.

Due to this sector convergence into similar marketplaces, understanding individuals' perceptions and related behaviors are incredibly relevant for theory development and for understanding the role of sector in mixed economies (Handy et. al, 2010). Studies have provided evidence that individuals recognize sector and perceive differences between ownership types (Drevs, Tscheulin, and Lindenmeier, 2014) while additionally possessing biases for providers (Marvel, 2015). However, research has only very recently focused on these deeper theoretical questions related to sector theory, specifically as it relates to citizens' perceptions preferences, or behaviors toward different sector providers (Witesman, Silvia, and Child, 2022). Empirical work is also markedly lacking, however sector-related research has risen onto the scholarly scene through current research publications across top public administration, nonprofit, and management-related journals.

Even with these limitations, recent literature shows that individuals recognize different ownership types and certain signals that are traditionally aligned with particular sectors. Citizens perceive sectors in terms of performative differences, distinct characteristics, motivations, behaviors, and even common or more traditional service arrangements (Aaker et al, 2010; Hvidman, 2019; Drevs, et. al, 2014; Handy et. al, 2010; Ruddle, et. al, 2022). Research has examined citizens' reasonings for sector preferences due to previous interactions with various subsectors in traditional sector placements (hospitals, universities, museums, and sport clubs) (Handy et. al, 2010) and attributes such as trustworthiness and the connections to nonprofits and their overall public-service missions (Hansmann, 1980). Furthermore, individuals have been shown to recognize the benefits of the non-distribution constraint in combination with public values and a general warmth and care in distributing services (Nelson and Krashinsky, 1973; Prentice and Brudney, 2015; Handy et al, 2010, Drevs, et. al, 2014). Prior work has examined this notion of trustworthiness and the non-distribution constraint through contract failure theory, which speaks to issues with information problems in selecting goods or services (Handy, et al, 2010). Particularly, in the case where consumers are uncertain of their ability to monitor quality, individuals may likely prefer the nonprofit sector option relative to for-profits in the belief that they are more trustworthy and focus on quality rather than profit maximization (Hansmann, 1980; Hansmann, 1987).

But mixed findings have raised doubts regarding this perceived favorable status of the nonprofit sector across different subsectors and other domains (Schlesinger et. al, 2004; Farwell et al, 2019). A recent study produced a three-sector comparison of reputation and trust, revealing that an organizational crisis impacts sector organizations differently – with the nonprofit sector more negatively affected by a crisis, subsequently shattering the sector's perceived halo (Ruddle,

et. al, 2022). Other scholars have focused on perceptions of government (Robinson, et. al, 2021; Marvel, 2015; Meier, et. al, 2019) and negative anti-public sector biases that harm government's ability to be trusted for services and products as compared with private sector competence and innovativeness (Marvel, 2016).

But it is important to note that mixed multi-sector arrangements pose a complex challenge for citizens to distinguish between sector providers (Schlesinger et. al. 2004; Schlesinger and Gray, 2006; Schiff & Weisbord, 1991). Some prior work has indicated that there are limitations in citizens' ability to connect specific ownership types to perceived differences regarding performance (Ben-Ner & Ren, 2008; Heinrich, 2000; Cabin et. al, 2014; Witesman & Fernandez, 2013).

Intriguingly, these mixed results across studies provides more of a reason to further understand citizens' knowledge and real experiences with sector organizations especially when there are implications related to how organizations are perceived, preferred, or even blamed across different moments of certainty and uncertainty.

## **Accountability and Blame Attribution**

One aspect of accountability for citizens centers on the public's expectations of services whether provided by public (government), private for-profit, or nonprofit sectors (Marvel & Girth, 2016; Piatak et. al., 2017) and their assessment of services as conditioned by success or failure (James et. al, 2016). Organizations often go through ups and downs in terms of providing services. Universally, failures are unfortunately common just as successes are. Organizations routinely fail in providing services and frequently these can be identified through crises that have been heightened by malfeasance, mismanagement, incompetence, or product failure on several organizational levels (van de Walle, 2004, 2016). Importantly, when a crisis occurs, citizens

evaluate the event through media and other interactions and attribute blame to individuals, roles, and the respective organization (Sievert, Vogel, Reinders, and Ahmed, 2020). Citizen's evaluation of organizations pre- and post-crisis is essential to the study of public administration due to the impact of attributed blame on organizational legitimacy (Dunleavy and Hood, 1994) and the influence of preferences and biases on assessments of blame toward organizations in a variety of factors (James et. al, 2016; Marvel and Girth, 2016; Rudolph, 2006).

Theories exist that provide detail about why the general public and citizens attribute blame for service delivery failures in a range of scenarios. At its root, blame attribution theory originates from social psychology with research in this field focusing on explanations of individual behavior (Malle, 2011). Blame attribution by an individual is developed by context, motives, and the amount of information a person will have about a negative outcome when coming to a decision about responsibility and blame toward other individuals or organizations (Hamilton, 1978). For individuals to assign blame, the actor's level of personal control, responsibility, and closeness to a particular outcome are to be considered (Alicke, 2000; Alicke et. al, 2008). Lately, the intersection of psychology, public administration, and political science has given rise to empirical work examining public behaviors and reactions toward organizations. Citizens' reactions to service failures have been prominently studied through the lens of blame attribution and accountability. Specifically, studies have asked important questions centered on the degree to which citizens blame organizations and/or specific individuals (bureaucrats, government employees, contractors, etc.) in public organizations or public-private partnerships when a service or performance failure occurs. Notably, political science has examined blame or responsibility in Heider's (1958) triangle of responsibility, which highlights that rational actors attribute blame based on an individual's level of information about a specific actor's control on

an event, the context or setting, and the actor's connection to a solution or fix. Importantly, the heightened access to media (including social media) has provided more opportunities for the general public to learn about particular events that implicate organizations and respective actors—thus increasing scrutiny of failures/crises and highlighting the importance of the problem(s) (Robert & Lajtha, 2002; Scurlock, Dolsak, Prakash, 2020).

Various stakeholders and the general public make judgements about an organization's reputation, trust, and legitimacy through the lens of images, messages, and attributions most profoundly through the media (Coombs & Holladay, 1996). These assumptions and perceptions formulate before and can subsequently change after a failure or crisis affects/implicates an organization. The public seeks the assurance that organizations are behaving responsibly following norms of behavior (Tremblay-Boire, Prakash & Gugerty, 2016). These crises not only do reputational damage on one front but can do financial and organizational damage depending on how the general public and managers respond to a crisis. For instance, nonprofit organizations rely on fundraising and donations, which could severely be limited during a scandal (Guo, 2007; Smith and Lipsky, 1993). For-profit business can lose out on potential clients and money coming in to support operations. Crises may affect a government agency's potential funding for the next year and a more burdensome accountability watch through regulation and oversight. The depth and magnitude of the crisis relies on both the public and organizational response (DiMaggio & Powell, 1991).

#### **Blame Attribution Toward Organizational Roles**

A critical layer of internal oversight and accountability for organizations involves the role of governance, which is typically seen via a board of directors, board of trustees, or governing board along with chief executives (CEOs) at a higher level and supervisors and staff positions at

the lower level (Moore, 2000). Each member of an organization plays an important part in governance, but there are different accountability practices across organizational levels and associated roles. Blame attribution theory focuses on the explanations of individual perceptions and behavior toward specific individuals and groups (Malle, 2011). The degree to which an individual blames a particular actor is motivated by context, motives, perceived responsibility, and the degree of information that they possess. These determinants appropriate the level of blame that should be given to actors (Hamilton, 1978). Blame assigned to an individual is also based on the degree of negativity and how much a person is willing to react (Malle, 2011). As individuals process information about issues and different scenarios like crises or failures, the public recalls cues, heuristics, previous experiences, or expectations about individuals and entities to make certain determinations of appropriate blame that should be given. Often, citizens rely on information being provided through the media or their own interactions about a given failure or crisis, but generally this information is substituted by cues, which are a shortcut to clear up complex information and accountability lines (Downs, 1957; James, 2011; Lupia and McCubbins, 1998). This dissertation leans on the use of cues and information provided to citizens about a particular crisis, the provider of services, and the variance of an individual's closeness to the stated crisis.

The reputations and legitimacy of specific individuals such as bureaucrats, executives, and leaders have been shown to be affected if not harmed during a crisis. As mentioned previously, individuals attribute blame through a variety of factors such as an actor's perceived level of personal control, responsibility, and proximity to a particular outcome (Bell and Tetlock, 1989; Hamilton, 1978; Fincham and Jaspers, 1980; Alicke, 2000; Alicke et. al, 2008). Across public, nonprofit, for-profit organizations, there are general positions that can be recognized as

legitimate entities which have a degree of accountability across different levels and those that possess certain controls and skills over core functions of an organization. These employee positions or roles are hierarchical and based on a social roles approach, which theorists have argued that individuals connect status level and organizational hierarchy when formulating blame (Hamilton 1978; Kelman & Hamilton, 1989). According to prior studies, individuals assess deeds, responsibilities, and previous expectations for particular roles whether actors are located at lower-levels of on organizational hierarchy or at the top (Hamilton 1978; Gibson and Schroeder, 2003). Previous insights from conflict management studies have shown that at higher levels of organizational hierarchy (e.g. board or chief executive) actors are increasingly held more responsible for broad organizational affairs, are expected to have higher standards, possess greater liability due to their obligations in overseeing and advising other employees and stakeholders, and should be trusted more on matters broadly defined (Hamilton, 1978). For higher-level executives, the public perceives a greater role in responsibility and a greater degree of accountability, which is needed relative lower-level actors in an organization (Bell and Tetlock, 1989). While there are several key employees in an organization, there are three types of entities (board of directors, chief executive, and staff) which can be used symbolically in terms of the of their roles and status across organizational levels. Notably the public perceives in the level of responsibility and abilities to handle crises and work across managerial affairs. These roles are to some extent superficial placements with no direct theoretical linkage, but are used in the experimental design and have been utilized in studies for research related to conflict management and public administration in various contextual scenarios.

Proper board oversight and accountability functions as an asset in running an effective organization and averting crises that can damage several organizational features such as

reputation, trust, and overall support. Organizations within each sector ownership type (nonprofit, for-profit, and government) possess differing board selection criteria, mechanisms of control, sources of revenue, metrics, and goal-orientation (Epstein & McFarlan, 2011). However, the primary purpose of board governance is to oversee decision-making, monitor various stakeholders, facilitate strategy, vote on general and fiduciary matters, and to provide internal accountability for managers and their respective employees (Andrews, 1971; Moore, 1995; Young, 1986). The essential apex of the decision control system in large and small organizations is the board (Fama & Jensen, 1983). Boards have the power in each sector type to select, fire, and compensate executive leadership positions while also monitoring and voting on key decisions (Fama & Jensen, 1983). Board responsibilities also may vary in depth, but the overall elements of ensuring the activities of the organization are in line with the mission and that the long-term and short-term strategies are put together is crucial for organizational continuance. Post-Sarbanes Oxley passage, internal controls have become more significant for boards to pay attention to after several financial and non-financial scandals (Coe, 2011). Various internal controls exist that board of directors, personnel, and management utilize to achieve objectives of efficiency, effectiveness, reliability, and compliance with laws and regulation (Coe, 2011).

In terms of the interaction of sector and organizational roles, for-profit board members are well-compensated, and they benefit financially by being active on the board whereas with nonprofit board members, no financial benefit or compensation may be given (Epstein & McFarlan, 2011). Nonprofit boards are comprised of volunteers who push for goals related to the organization's mission or the product and its quality including the impact of beneficiaries while relying on donors and other sponsors to do the organization's work (Weisbrod, 1988).

Government boards typically consist of either appointed or elected members who serve the primary purpose of management, control, and governance of the organization (City of Ames, 2011). Boards for government municipalities for instance may be viewed as a more volunteer-driven entity and citizen participation (Dougherty & Easton, 2011). The role of boards in government, particularly at the local and state levels and very closely related to nonprofit peers due to the aspect of volunteerism and filling local needs.

In for-profit firms, a board of directors and principal shareholders control the upper-level decision-making along with the chief executive officer (CEO) and ensure that the organization is generating and maximizing profit (Epstein & McFarlan, 2011). In the nonprofit sector as well as with government organizations, a chief executive or executive director is located at highest point in the hierarchical arrangement next to the board with mid-level and lower-level staff respectively toward the bottom of the organizational chart. The higher a person is on the hierarchical chart, the more managerial responsibility one will possess. Those employees at the lower level are often siloed and likely more specialized on key skills, proficiencies, or capacities. Organizational roles and their associated levels are critical pieces for analysis in public administration research.

Importantly, in the context of hospitals and the healthcare industry, for-profit, government, and nonprofit sector hospitals exist in the United States and board oversight and responsibility over these organizations is critical to effectively manage hospital management, quality of care, and costs (Molinari, Alexander, Morlock, & Lyles, 1995). Interesting to note that after the landmark rulings of *Darling v. Charleston Community Memorial Hospital* and *Stern v. Lucy Webb Hayes National Training School*, hospital boards became a more critical actor and play a stronger oversight role for organizational efficiency, quality, regulation, legal

standards, innovation, and external competition (Molinari et. al, 1995; Ostrower and Stone, 2006). With hospitals in all three sectors, CEOs are also listed as important leaders at the top of the organizational chart with board members. Chief executives are important players for overall direction, leadership, and act as the public face for organizational matters as they meet and function in tandem with the board.

Developments in research have gone further than just public organizations and examined both nonprofit and private sector crises and how blame is attributed in similar crises or service delivery failures. Importantly, there is reason to believe that government and public organizations often possess a negative reputation and likewise citizens have a negativity bias toward government performance (Bok, 2001; Meier et. al, 2019; Marvel, 2016). This heightened unconscious bias against government can be examined in the publicness literature and the public aspect about how citizens generally blame public service providers at a higher rate than for-profit private organizations even in the same context (Marvel, 2015). Also added in the last few years, public administration scholars have indicated that negative performance information significantly impacts perceptions and satisfaction of citizens at a stronger level than positive information (James and Moseley, 2014; Olsen, 2015). Some preferences for services have been found with nonprofit organizations due to their perceived warmth, comfortability, and trustworthiness in studies on hospital sector ownership types whereas for-profit hospitals are perceived as more competent than their sector counterparts (Drevs, et. al, 2014; Handy et. al, 2010). Only recently have there been comparisons of blame attributed across sectors in specific situational contexts and little has been made of differences in the disclosure of information about wrongdoing at the individual and organizational levels (Piatak, Mohr, and Leland, 2017).

Understanding citizens' perceptions, preferences, and attributed blame toward organizations and is a fundamental concern for academics, policymakers, and practitioners. Public reaction highlights the function of citizen accountability and vocalizing key issues that may disrupt services for themselves or to fellow citizens (Achen and Bartels, 2017; Pande, 2011). The willingness of the public to react and to introspectively examine prior beliefs and preferences shows a compelling reason to continue research endeavors that balance normative and empirical inquiry. A more comprehensive and holistic examination of citizen's experiences with sector providers will provide fruitful prospects and a better understanding citizens' understanding and behavior.

# Chapter 3: Citizen Preferences for Services: Does Sector Matter When an Organizational Crisis Occurs?

#### **Abstract**

Citizens rely on a number of service options that are provided across three main sectors: public, private, and nonprofit. Research has suggested that the public holds preferences for sector services with some variation across subsectors and domains. However, little attention has been given toward comparing citizens' sector preferences and even more so in the context of an organizational crisis when citizens re-evaluate their preferences and switch or divert toward other sector providers. Based on theoretical insights of citizen satisfaction, sector bias, and research on organizational crises, this study argues that sector matters in citizens' evaluation of organizations when an organizational crisis occurs. Drawing on a nationally representative Lucid panel, this study uses an experimental survey to examine the effect of a crisis on citizens' sector preferences for services, which is employed in the hospital context. In measuring pre-and post- preferences of sector hospitals both before and after a crisis occurs (in the form of a data breach), the study reveals that sector matters in citizen's formed preferences for services with the private for-profit sector showcasing a general resilience when implicated in a crisis and a significant gain of citizen preferences when other sectors are affected. There was no scenario in which the nonprofit or public hospitals gained in terms of preferences. Findings demonstrate the need to better understand citizens' preferences for sector services generally, but also differences across domains, subsectors, specific issue areas in normal and uncertain times.

#### Introduction

Service deliveries are distributed through organizational efforts of three main sectors: nonprofit, public (government), and private (for-profit). While there may be some unique configurations that differ from this service setup, this arrangement exists commonly throughout the globe with these sectors taking responsibility of the provision of services, especially in the backdrop of government failure and privatization efforts. Scholars have wrestled with the origins, boundaries, and roles of each sector with some noteworthy attempts trying to answer questions related to publicness theory (Bozeman and Bretschneider, 1994; Moulton and Eckerd, 2012), distinctiveness of the sector (Bozeman, 1988; Rainey, 2009, 2020; Witesman, Silvia, and Child, 2022) and practices of public, private, and nonprofit management (Allison, 1980; Baldwin, 1987; Rainey and Bozeman, 2000). These contributions among other important research undertakings are critical, but only beginning to reveal the impact and influence of sectors toward various stakeholder groups and their respective experiences.

Importantly, as noted by Witesman, Silvia, and Child (2022), contributions to sector theory have glaringly focused on perspectives of administrators and a few groups of stakeholders rather than the perceptions and experiences of citizens, who possess a dual role as citizenconsumer and citizen-observer of service providers across all sectors. This rather absent literature engaging citizens' experiences and observations leaves important several questions related to public and private management unanswered. Fundamentally, citizens act as a layer of accountability to administrators and governance systems (Farwell et. al, 2019; Pegnato, 1997, Smith and Huntsman, 1997; Thomas, 2013; van de Walle, 2018, Van Slyke and Roch, 2004). Citizens have the ability to take the role as citizen-consumers, choosing from service providers and often may have a choice between these three sectors in one specific service area. As

citizen's process through choosing services, they take on the citizen-observer role and consider variables such as an organization's perceived trustworthiness, performance, and associated costs along with existing preferences for services that may be based on previous experiences, awareness, accessible information, or other factors.

Prior research has indicated that individuals may have strong preferences for services based on sector biases and sociodemographic or psychographic characteristics (Handy, Seto, Wakaruk, Mersey, Mejia, and Copeland, 2010). Many studies on citizens' satisfaction with public services have examined evaluative judgments about sector performance, favorability, trust, and reputation among other metrics. Studies have shown that the public sector has been marred by an anti-public sector bias, which has been highlighted by negative public attitudes regarding the sector's ability to handle public goods and services (Meier, Song, Davis, and Amirkhanyan, 2021). Customarily, nonprofits have been generally viewed with high favorability and trustworthiness whereas the private sector measures high on innovation, competence, and efficiency (Drevs, Tscheulin, and Lindenmeier, 2014). However, over the last few decades mixed results have emerged across performance metrics and subsectors; additionally, citizens' recognition of ownership status is complex (Schelsinger et al. 2004; Handy et. al, 2010; Schlesinger and Gray, 2006).

While these contributions focusing on individuals' performative evaluations (i.e., reputation, trust, satisfaction) have provided insightful progress in understanding sector-related opinions and beliefs, few undertakings have comprehensively examined citizens' behavioral intentions toward sectors not only at a baseline, but also across different conditions of certainty and uncertainty. Recently, innovative work on citizens' perceptions of products and services in mixed-market settings measured existing preferences as they vary across different information-

environments (Witesman, et. al, 2022). However, what is rather unknown and unanswered still is to what extent to citizens change their preferences due to external or environmental factors or particularly how preferences hold or change over time under different conditions. Ruddle, Robinson, and Fister (2022) in a three-sector comparison of organizational reputation and trust, showed that an organizational crisis impacts sectors differently with more negative consequences distributed to the nonprofit sector when implicated in a crisis and the subsequent loss of the sector's renowned halo. As sector reputation and perceived trustworthiness has been shown to change in the public's eye, likewise all indications would suggest that individual preferences would change similarly. But we have limited work accomplished on this front.

This study expands on sector theory research by aiming beyond individuals' baselineperceptions of sector and investigating citizens' preferences for sector and how initial
preferences change toward other alternative sector options. An appropriate contextual space to
study this change is during a time of uncertainty or an organizational crisis, when individuals reevaluate an organization's abilities, performance, and potential. Using a constructed comparison
of U.S. hospitals across the public, nonprofit, and private for-profit sectors, this study discovers
that the private sector has a durable resilience and a higher standing related to citizens'
preferences for services relative to other sectors during an organizational crisis. The hospital
setting offers interesting opportunities for sector differences research and a context to better
understand the three sectors with their similarities and differences (Drevs, et. al, 2014).
Interestingly, citizen preferences are significantly and negatively impacted by a crisis, but only in
scenarios where the public or nonprofit sector is connected to the crisis. The experimental
findings emphasize that citizens' preferences do change and can shift from one sector to another,
especially in the context of an external factor such as an organizational crisis. Citizens'

preference shifts and skipping toward other sectors and in this case toward the private sector suggests a need to address core debates about publicness and a better understanding of the implications of sector in normal and uncertain times.

#### **Public, Private and the Nonprofit Sectors**

Citizens rely on a number of service options that may take the form of public or private goods and are offered generally via three sector providers: Government (public), private (forprofit) and nonprofit organizations. Each of these producer types distribute services to citizens – with distributions based on the payer's role as an individual consumer and/or as an individual taxpayer, donor, or recipient (Olson, 1965; Ostrom, 2009) as well as by the legal constraints and funding sources (i.e., direct payments by consumers, citizens' taxes, or redistributive policies) that facilitate services. This very focus on the variation of service distribution has been particularly significant in the advancement of sector theory and understanding the role and importance of sector arrangements and stakeholders' (consumers, donors, taxpayers, etc.) experiences. Early foundations of sector theory have leaned heavily on sector origins and the role of authority including ownership types and respective legal frameworks (Bozeman, 1988; Rosenbloom, 2016; Rainey, 2020). Scholars and practitioners alike have made efforts to distinguish public, private, and even nonprofit management practices (Allison, 1980; Baldwin, 1987; Rainey and Bozeman, 2000). This tailoring to specific sectors suggests that organizational form has indeed become a recognized concept across various stakeholder groups. Theories attempting to explain how sector matters and influences individuals' perspectives, perceptions, and preferences can be advantageous for the study of management broadly (Witesman, et. al, 2022).

Critical to sector theory, but also specifically related to factors of origin, public, nonprofit, and for-profit organizations have distinct characteristics, possessing their own competitive advantages, but also disadvantages depending on ownership/legal constraints (Handy et. al, 2010). Public and nonprofit organizations have been theorized as entities that are formed to alleviate information problems in terms of non-private goods and seen as solutions to information asymmetries in the marketplace (Olson, 1965; Nelson and Krashinsky, 1973; Weisbrod, 1988; Smith and Lipsky, 1993). Studies have shown that citizens can recognize these problems and connect evidence of the direct provision of public goods across levels of government and/or by redistributive policies or taxes granted to nonprofit organizations via tax exemption and other benefits. Importantly, a key difference between government and nonprofit organizations from private for-profit firms is the core motives for why they exist and incentivize specific behaviors.

The fundamental purpose of government and nonprofit organizations is concerned with distributing public benefits to citizens, and these organizations are encouraged to express public values – not typically found in the traditional private for-profit firm (Jørgensen and Bozeman, 2007). The profit-motive is one of the single most important functions of a private sector firm, which hopes to maximize profits and overall efficiency. Importantly and specifically linked to nonprofits is a core legal provision, which prohibits the organization from distributing profits to shareholders. This constraint carries an understanding that quality will be emphasized over profits (Hansmann, 1980; 1981). Governments have ultimately functioned under similar constraints and for similar purposes as nonprofits (Rainey, 2009). Whereas government is instituted in a collective arrangement, nonprofits are created by private individuals similarly as with for-profit firms, but the non-distribution constraint among other characteristics sets them

apart; and consequently, nonprofits have been shown to benefit from this constraint with a socially constructed halo in terms of a higher reputation and perceived trustworthiness (Handy et. al, 2010; Ruddle, et. al, 2022). Several studies have highlighted this notion of contract failure theory, which speaks to these information problems— implying that individuals perceive organizations differently by sector due to certain important characteristics such as quality and performance. Particularly, individuals who are uncertain of their ability to monitor quality may likely prefer the nonprofit sector option relative to for-profits in the belief that they are more trustworthy and focus on quality rather than ultimate profits (Hansmann, 1980; Hansmann, 1987).

Notably, questions have tried to answer questions related to sector distinctiveness and unique characteristics via publicness theory (Bozeman and Bretschneider, 1994; Rainey, 2009) there have been several undertakings to understand sector similarities and differences in different contexts (Bromley and Meyer, 2017; Bozeman and Moulton, 2011). These differing organizational motives, ethos, and values that exist across sectors suggest that certain and appropriate attributes are signaled outward to stakeholders and specifically to consumers in order to benefit in the marketplace. How the public perceives these sector providers and subsequently building and holding their preferences in their role as citizen-observers and citizen-consumers is a key question that has not been fully answered by public administration scholars.

Importantly in the context of governance today, it is more common that these three types of providers (government, public, and for-profit) compete and exist in the same domains, subsectors, or service areas such as hospitals, education, mental health, and job training (Handy et. al, 2010). The very factors and basis of sector origins including individuals' perceptions and related behaviors are incredibly relevant for theory development and for understanding the role

of sector in mixed economies (Handy et. al, 2010). Particularly over the last few decades, increased privatization efforts (Osborne and Gaebler, 1992; Box, 1999; Kettl, 2002; McLaughlin et al. 2002) contracting out, and New Public Management endeavors signaled through hybridity and cross-sector arrangements have opened new opportunities for producers to provide services in similar venues – thus leaving individuals with further options to choose across each sector in a growing mixed-market economy (Salamon, 2002). Because of these changes in governance arrangements and increased multi-sector service deliveries, there is a significant need to ask related questions to sector differences especially in the context of mature theory that once highlighted sector distinctions and separate private, public, and nonprofit entities, which is not necessarily the case at the same degree (Rainey, et. al, 1976). As noted above in a mixed-market economy, all three sectors are competing and entering into the same marketplace in relation to consumer and social goods (Marvel, 2015; Ben-Ner, 2002; Witesman, et. al, 2022). This notable change from more clearly defined and distinct sectors to a blurry and mixed marketplace calls for further research action that examines not only the broad legal or general governance arrangements, but also citizens' experiences, especially in cases where individuals are consuming goods and observing sector behavior during this new governance era. Further research focusing on various contexts and conditions across time are worthy research endeavors as significant gaps in sector theory exist.

# Citizens' Recognition and Behavior Toward Sectors

Citizens possess a unique role in today's multi-sector arrangement. Their dual role as a citizen-consumer, but also as a citizen-observer across governance systems is critically important for private, public, and nonprofit management. In early stages of sector theory development, sector distinctiveness reigned superior in explaining distinguishable types of services and

characteristics. Some research has theorized and suggested a way to explain organizations through a dimensional scale of publicness (Bozeman & Brettschneider, 1994; Bozeman & Moulton, 2011), and cross-sector organizations, which either align with more traditional government entities on one side and more commercial efforts on the other. Some evidence indicates individuals can recognize sector distinctions through various performance differences, distinct characteristics, motivations, behaviors, and even common or more traditional service arrangements (Aaker et al, 2010; Hvidman, 2019; Drevs, et. al, 2014; Handy et. al, 2010; Ruddle, et. al, 2022). However, mixed multi-sector arrangements pose a complex and difficult challenge for individuals to assess and distinguish between sector providers (Schlesinger et. al. 2004; Schlesinger & Gray, 2006; Schiff & Weisbrod, 1991). Additionally, some studies convey that there are limitations to these connections that individuals make to sector and certain spaces where little evidence suggests any real perceived differences regarding performance (Ben-Ner & Ren, 2008; Heinrich, 2000; Cabin et. al, 2014; Witesman & Fernandez, 2013). Ultimately, there is mixed evidence on citizens' ability to distinguish sectors, but there are certain spaces where sector does matter and in fact impacts citizen behavior.

#### **Citizen Sector Preferences and Biases**

Witesman, Silvia, and Child (2022) have recognized that contributions to sector theory have starkly focused on administrators' perspectives, and a few select stakeholder groups rather than the perceptions and experiences of citizens, who function as consumers and observers of sector service providers. This rather absent literature engaging citizens' experiences and observations leaves several important questions related to public and private management unanswered. The public's perceptions and experiences with government and other sector providers is of critical importance for practitioners and management studies broadly defined. An

increased understanding and interaction with citizens' viewpoints and experiences is helpful in anticipating public requests, preferences, satisfaction, or outcry in various circumstances (Paarlberg, 2007). Citizens act as a layer of accountability to administrators and governance systems (Farwell et. al, 2019; Pegnato, 1997, Smith and Huntsman, 1997; Thomas, 2013; van de Walle, 2018, Van Slyke and Roch, 2004). Citizens have the ability to take the role as citizenconsumers, choosing from service providers and often selecting between sectors in one specific service area. As citizen's process through choosing services, they take on the citizen-observer role and consider variables such as an organization's perceived trustworthiness, performance, and associated costs—along with existing preferences for services that may be based on previous experiences, awareness, accessible information, or other factors.

Research has also tackled the significance of sector in the context of sector bias and through the lens of citizen evaluations of organizational performance, quality, reputation, and trustworthiness (Marvel, 2015; Meier et al, 2019). Citizen evaluations of public organizations are generally more negative relative to comparable organizations in other sectors (Marvel, 2016; Marvel and Girth, 2016; Piatak, Mohr, and Leland, 2017; Sievert, Vogel, Reinders, and Ahmed, 2020). Studies show that the public sector is marred with an anti-public sector bias, which has been highlighted by negative public attitudes regarding the sector's ability to handle public goods and services (Meier, Song, Davis, and Amirkhanyan, 2022). Regularly, nonprofits have been generally viewed with high favorability and trustworthiness whereas the private sector measures high on innovation, competence, and efficiency (Drevs, et. al, 2014). Scholars have shown that citizens' evaluations of organizations are affected by sector-linked biases, (Marvel, 2015; Meier, et. al, 2019) which assist in shaping an individual's preferences for sector.

they consequently evaluate and react more favorably toward the quality of the services received relative to other sectors (Van Slyke and Roch, 2004; Child and Witesman, 2019). The connections that citizens make to certain sectors whether through general knowledge, experiences, or actual biases toward organizations tells an important narrative for a moment in time or for citizens' initial views and potential preferences. However, currently we have limited knowledge pertaining to the direction and/or the degree to which citizens change preferences or switch to certain sectors – across time and under positive or negative conditions, which may affect citizens' behavior and influence in the marketplace.

## Citizen Preferences Across Time and During Organizational Crises

Research contributions regarding citizens' performative evaluations (i.e., efficiency, reputation, trust, satisfaction) have provided progress in understanding sector-related opinions and beliefs, nevertheless, few endeavors have comprehensively observed citizens' behavioral intentions toward sectors – not only at an initial baseline, but also across different conditions of certainty and uncertainty. Only recently has work measured citizens' perceptions and preferences of sector products and services in mixed-market settings; specifically in varying information-environments (Witesman, et. al, 2022). Traditionally, studies have leaned on traditional examinations of individuals' perceptions of ownership status through dimensions such as warmth, competence, trustworthiness, and other well-established performance metrics (Aaker, Vohs, and Mogliner; Schlesinger, Mitchell, and Gray, 2005; Drevs et. al, 2014; Handy et al., 2010). These studies have measured individual perceptions and/or preferences at one segment in time, which limits our understanding of citizens' intended behaviors. Notably, citizens' behaviors and choices in the marketplace are not permanently fixed, but rather dynamic and vary across variables such as cost, quality, trust, and other signals. In spaces such as mixed markets,

where individuals may choose from similar service providers across each sector, citizens have the power to influence the consumption of goods, and ultimately the very success of an organization due to citizens' collective choices, perceptions, and positions (Thaler, 1980; Bel et al., 2014; Boris and Steurle, 2006; Considine, 2003; Handy et al, 2010; Marwell and McInnerey, 2005; Weisbrod, 1997). Since citizens act as consumers – how an organization and their services are perceived is critical due to individual-level, but also collective-level shifts of public opinion and heightened attention toward media coverage, social media, and other factors (Van Slyke and Roch, 2004; Blanchard et al. 1998; Thomas, 2013). The power that has been given to citizens in this new era of governance has caused administrators to recognize and engage with citizens via public opinion and collective feedback, especially regarding public preferences, which may be consequential in an organization's success or failure (Osborne and Gaebler, 1992; Van Slyke et. al, 2005).

This study expands sector theory beyond individuals' baseline perceptions of sector by examining citizens' preferences over time and investigating the extent to which sector matters when citizens receive information about an organization – consequently shifting sector preferences to other providers.

An appropriate contextual space to study these preference changes is during a time of uncertainty or an unexpected event such as an organizational crisis – where individuals reevaluate their options and reexamine an organization's abilities, performance, and potential (Coombs, 2009; Coombs, 2012). Importantly, organizations across all sectors face crises that may significantly impact an organization's image, reputation, and overall perceived status. Crises have been shown to be potentially harmful to an organizations' legitimacy and reputation due to violations of societal expectations (Beldad et. a, 2018; Coombs, 2006). Additionally,

management studies, have emphasized the negative impacts of crises on customer loyalty (Helm & Tolsdorf, 2013), favorability (Wei et al, 2017) and stockholder reactions and valuations of stock prices (Wei et. al, 2017) indicating significant perception changes. Many crises have been more pronounced and a part of citizens' observed experiences due to increased media and social media coverage – thus a feature of public opinion. A few examples of crises across sectors include U.S. agencies' unclear responses to Covid-19 (Robinson, et. al, 2021), Boeing shares dropping after 737 Max safety concerns (Gelles and Kitroeff, 2019), and nonprofit scandals such as the Wounded Warrior Project (Seck, 2019). During these critical events and other types of negative attention, individuals reevaluate their initial perception of an organization and determine the degree to which the organization should be penalized (Tucker & Melewar, 2005).

As cited earlier, studies have suggested strong reasonings for individuals to have certain sector preferences. Several studies have focused on the nonprofit's perceived trustworthiness (Hansmann, 1980) and the benefits of the non-distribution constraint in combination with public values and a general warmth and care in distributing services (Nelson and Krashinsky, 1973; Prentice and Brudney, 2015; Handy et al, 2010, Drevs, et. al, 2014). But mixed results have questioned this perceived favorable status of the nonprofit sector under some conditions and in certain domains (Schlesinger et. al, 2004; Farwell et al, 2019). A recent study produced a three-sector comparison of reputation and trust, revealing that an organizational crisis impacts sector organizations differently – with the nonprofit sector more negatively affected by a crisis, subsequently shattering the sector's perceived halo (Ruddle, et. al, 2022). Other scholars have focused on perceptions of government (Robinson, et. al, 2021; Marvel, 2015; Meier, et. al, 2019) and negative anti-public sector biases that harm government's ability to be trusted for services and products as compared with private sector competence and innovativeness (Marvel, 2016).

As a sector's reputation and perceived trustworthiness has been shown to change in the public's eye across varying conditions – indications suggest that individual preferences would change comparably; but to what exact degree or direction is relatively unknown. This study employs an experimental survey to assess citizens' initial sector preferences, but additionally examines the strength of those preferences, when each sector organization is implicated in a crisis. The direction and degree to which citizens switch sectors is relatively unknown today.

# **Experimental Design and Data**

In order to measure citizens' preferences for services across sectors and to recognize a crisis' effect on sector preferences, a randomized survey experiment (pre-post design) was constructed. Over the last decade, calls for more experimental work in public administration has intensified (Baekaard et. al, 2015; Grimmelikhuijsen et al. 2017). This study harbors that energy for experimental work and utilizes realistic, albeit fictional vignettes presented to respondents, which allows for a space of contextual realism and increased external validity relative to lab experiments (Aguinis and Bradley, 2014).

Data for this study is based on a representative sample of the U.S. adult population. Respondents were recruited through Lucid Theorem, a marketplace for online samples in the U.S. Lucid has been shown to be on track with national benchmarks and is a suitable tool for evaluating several social scientific theories (Coppock and McClellan, 2019). The survey experiment took place between August 2-3, 2021. Respondents spent on average seven minutes to fully complete the survey. Individuals who finished the survey were compensated \$1.00. A total of 1,682 respondents were recruited through Lucid. In terms of the experimental segment, all respondents read a news article discussing a data breach at a hospital. One group (control)

saw no sector mentioned in the story. One attention check is used in the survey to eliminate issues with respondents' attentiveness.

For the experiment, individuals were randomly assigned to three different tracks where sector is the condition varying across tracks: (1) public, (2) for-profit, and (3) nonprofit as well as a control where no sector type is mentioned. The vignette examples and survey question wording are found in Table 3.1. The survey assessed citizens' traditional perceptions of performance by sector, but further requested preferences for sector providers as well as in the hospital/healthcare subsector specifically. Initially before introduced to a crisis impacting a specific sector, respondents simply allocate 10 points to show their preferences for providers. After respondents are introduced to the crisis, they are asked again about their preferences in order to see changes and directional shifts toward specific sector providers.

The hospital setting offers interesting opportunities for sector differences research and a context to better understand the three sectors with their similarities and differences (Drevs, et. al., 2014). Health services particularly are important for study in terms of the economic and societal implications at a significant scale across the globe. In this mixed-market setting, all three sectors compete for citizens' business and an individuals' decision-making and choices for selecting a hospital and are driven by several metrics such as an organizations' perceived trustworthiness sector preferences (Ruddle, et, al, 2022). A specific context was chosen for the crisis in order to find a realistic and applicable setting for reasonable comparison. Secondly, choosing a type of crisis that was familiar to the public was important for commonality purposes. A data breach crisis was chosen for these reasons due to actual organizational and individual/personal vulnerabilities and prominent cyber impacts that have occurred across the globe (Groenendaal & Helsloot, 2021; Jercich, 2021).

# **Table 3.1: Survey Experimental Vignette and Survey Questions**

# Vignette

In the past few weeks, reports have uncovered that the Memorial Community Hospital, a *[nonprofit/government/private for-profit]* run facility has experienced a data breach. More details are to come, but it appears a full investigation is under way, and it will continue over the next few months to better understand this issue.

Questions remain about the lack of protection for the hospital's data. New information shared today discloses that the hospital's *CEO/board of directors/IT staff* was/were considering security adjustments and promoting technological advancements to prevent this type of attack, but no changes had been made when the data breach occurred.

## **Preferences Question: Pre-Treatment**

Imagine that you are needing treatment for a medical procedure that will require a hospital stay.

Please allocate 10 points to show your preferences for selecting the procedure from each type of hospital below.

Your total should add up to 10.

Nonprofit	
Private/For-Profit _	
Public	
Total	

# **Preferences Question: Post-Treatment**

Knowing about the data breach, what are your preferences now for each of the three types of hospitals for the same medical procedure that was mentioned earlier.

Please allocate 10 points to show your preferences for selecting the procedure from each type of hospital below.

Your total should add up to 10.

Nonprofit
Private/For-Profit
Public
Total

Table 3.2 compares the demographic composition of the different treatment groups. The balance tests suggest that the randomization of treatment groups was successful. Chi-squared tests were used to analyze differences between treatment groups and important demographic variables such as gender, income, age, and political ideology against the null. The analysis shows that there was no meaningful difference between the treatment groups.

#### Results

The results of the survey center on two important stages of citizens' sector preferences. First, initial preferences for sector hospital services were measured in the experimental survey and a second measurement of preferences was taken after respondents see that an organizational crisis occurs that implicates either a nonprofit, public (government), or private for-profit sector hospital depending on the treatment for which respondents are randomly assigned. The following analysis will discuss the initial findings and then pivot toward each individual sector treatment condition and the crisis' effect on individual preferences.

Similar to prior research that has shown that the public sector may be in a favorable environment in the health subsector (Handy et. al, 2010), initial preferences confirm that public (government) hospitals are the favored sector provider and measured at a mean preference score (minimum of 0; maximum of 10) of 3.5 as compared to nonprofit at 3.3 and private for-profit at 3.3. Citizens' preferences for the public sector are statistically different than both the nonprofit and private sector's respective preferences at the 0.05 level. The consistency of these results found in public administration and nonprofit research provides sensible confidence that this study's sample is reflective of general trends and patterns evident in the health subsector and the favorable environment that the public sector occupies relative to other subsectors regarding citizens' perceptions. However, the stability and endurance of sector organizations to withstand

the shock of a crisis (data breach) and subsequent preference adjustments is another matter than citizens' initial preferences.

**Table 3.2: Demographic Comparison by Treatment Group** 

	Private	Public	Nonprofit	Control	Overall	Comparison
Gender						
Female	53.1	54.2	46.8	52.0	51.4	X (9, N = 1,490) = 10.6, $p$ = 0.30 (2-tailed)
Male	45.6	44.0	52.1	48.0	47.3	,
Other	0.8	0.9	0.2	0.0	0.8	
Prefer to not answer	0.4	0.9	0.2	0.0	0.5	
Race/Ethnicity						
Non-Hispanic White	72.4	77.8	77.0	72.0	75.4	X(3, N = 1,490) = 5.35, $p = 0.15$ (2-tailed)
Non-White	27.6	22.2	23.0	27.9	24.6	,
Income						
< \$25K	25.7	23.6	24.2	29.9	25.0	X(15, N = 1,490) = 10.3, $p = 0.80$ (2-tailed)
\$25K- \$49,999	27.5	27.0	25.7	24.5	26.5	,
\$50K- \$74,999	18.2	18.0	20.6	21.8	19.2	
\$75K- \$99,999	12.6	12.9	12.5	7.5	12.2	
\$100K- \$124,999	8.4	7.8	7.2	8.2	7.8	
\$125K or more	7.5	10.7	9.8	8.2	9.2	
Age						
18-24	10.8	8.0	9.2	5.4	8.9	X(10, N = 1,490) = 7.32, p = 0.7 (2-tailed)
25-34	20.5	19.6	20.5	18.2	20.0	
35-44	16.7	17.3	19.4	12.8	17.3	
45-54	10.6	12.7	11.2	8.1	11.1	
55 and over	41.4	42.4	39.7	55.4	42.6	
Political Ideology						
Average Ideology 1 to 7 scale (7 = strongly conservative)	3.9	3.9	4.0	4.0	3.9	X (18, N =1,490) = 9.4, p = 0.94 (2-tailed)

Figure 3.1 shows the comparison of results for respondents' preferences both before and after a public hospital is implicated in a data breach. The impact of the crisis is evident in the

public hospital condition. Importantly as mentioned earlier, public hospitals appear to have a slight edge in preferences as shown in the initial findings.

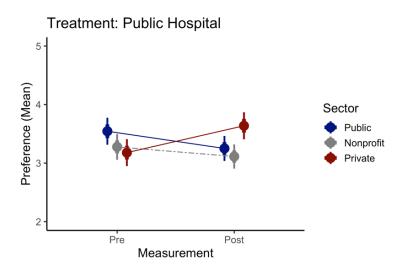


Figure 3.1: Pre-Post Preferences Public Hospital Treatment

However, once a crisis is introduced and respondents see that a public hospital has been implicated in a data breach, preferences for public services drop at a significant level. Secondly, the public scenario also negatively impacts nonprofit preferences, but not significantly. In viewing Figure 3.1, all gains in preferences appear to go to the for-profit hospitals moving from a mean preference score of 3.30 to new score of 3.64.

When respondents are treated to the nonprofit condition, and a nonprofit hospital has been affected by a data breach, preferences for the sector drop significantly and fall to the lowest point of any sector across all experimental conditions at a mean preference score of 3.04. This finding is remarkable in highlighting the sector differences and their respective falls from grace, but particularly the nonprofit sector's perceived halo is quite fragile and has farther to fall relative to other sectors (Ruddle, et. al, 2022). Unlike, in the public sector treatment, public hospitals are rather untouched in terms of preference changes, but the private sector receives nearly all the gains and moves up from a mean score of 3.3 to 3.47. Public sector movement is

not significant. Figure 3.2 illustrates the nonprofit hospital treatment and the respective sector changes.

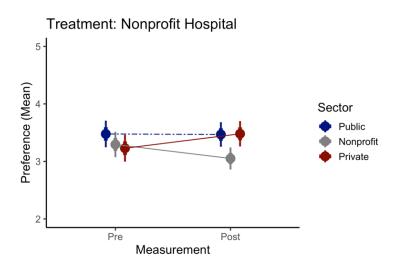


Figure 3.2: Pre-Post Preferences Nonprofit Hospital Treatment

Regarding respondents' treatment in the private for-profit sector condition, private sector hospitals are uniquely resilient when a crisis occurs. There is no significant change in citizens' private sector preferences, and while there are minor shifts with the public sector having some semblance of a gain, it is not statistically significant. Figure 3.3 exhibits the comparison of sector preferences for the private sector treatment and the matchless resilience that the sector has relative to the nonprofit and public organizations who are unmistakably damaged by an organizational crisis (data breach), especially when those respective organizations are implicated.

Treatment: Private For-Profit Hospital

Sector

Public
Nonprofit
Private

Private

Figure 3.3: Pre-Post Preferences For-Profit Hospital Treatment

## **Discussion**

The grouping of a conventional attitudinal approach and the usage of experimental design offers a robust set of findings regarding individuals' preferences and behavioral intentions. By adding the experimental element, findings such as these provide a richer detail and view of the directional shift of citizens' intentions and potential actions, which are lacking in general one-time or simple baseline assessments (Robinson, Stoutenborough, and Vedlitz, 2017). These results have important implications for public, private, and nonprofit management, particularly in occasions such as these where citizens take the role as observers and potential consumers of services.

As mentioned earlier, when respondents are directly asked about their preferences for hospital services, preferences for the private sector are placed below other sectors albeit only statistically significant from public hospitals. In terms of preferences, public hospitals are shown to be the preferred sector provider. The preference gap between public and the next preferred provider, nonprofits is wider than the gap between the latter and the private sector. This suggests

a grouping of nonprofits and for-profits early on as lower tiered options relative to the public sector hospital's standing. However, it does not appear to be an extreme difference.

Regarding citizens' initial preferences there does not appear to be a prominent anti-public sector bias, particularly in this hospital/healthcare setting under ordinary conditions. In fact, citizens give a slight edge to the public sector as evident in respondents' overall top choice. Interestingly, this specific finding counters much of the literature about a negative sector bias assigned to government and public sector organizations. The public has consistently applied negative labels to agencies and organizations across all levels of government through stereotypes such as inefficient, ineffective, and unresponsive among other negative characteristics measured across performance metrics (van den Bekerom, van der Voet, and Christensen, 2020; Hvidman and Andersen, 2016). But importantly and only recently shown, one possible exception to this anti public-sector bias has been discovered in healthcare facilities such as nursing homes and hospitals (Meier, Johnson and An, 2019; Meier, Song, Davis, and Amirkhanyan, 2021). Ultimately, the initial attitudinal results do not show evidence of an apparent sector bias manifesting itself and affecting citizens' preferences under ordinary conditions.

However, when respondents are introduced to a data breach crisis that implicates a sector organization's perceived standing, citizens' preferences do not hold in the same manner as previously found in the early results and the edge that was once given to public sector hospitals entirely disappears. As has been shown to occur in similar studies related to crises or scandals affecting reputation, trust, and satisfaction, the public or other stakeholders react to negative information and seek to place blame on an organization and reconsider their support or choices related to that associated organization (Coombs, 2007). Starkly in this paper, the public and nonprofit sector suffer the greatest in terms of preferences lost. As citizens learn of the data

breach that implicates one of the sector hospitals, citizen preferences are shown to be significantly and negatively influenced by the crisis, but only in the public and nonprofit sector scenarios. And it is important to note that respondents only see one of the experimental treatments.

Remarkably, there is no treatment condition in which the for-profit hospital loses preferences in terms of statistical significance. Virtually all preference gains when a nonprofit or public sector hospital is implicated in a crisis move toward the private sector. The private sector's unique resilience and improved status as the provider with the highest preference points raises significant questions on why the private sector does not suffer consequences from citizens similar to the other sectors. Essentially, the virtual last-to-first movement and improved standing of the private sector is an interesting story that needs to be told and further investigated.

Research up to this point has consistently shown that individuals tend to view the private sector as more competent relative to the other sectors, (Drevs et. al, 2014), which may speak to the organization's ability to handle this type of crisis. Secondly, the public has long felt strongly about the private sector's ability to harness technology and be innovative players in the marketplace which provides a potential explanation for the private sector's resilience and gain in preferences due to the crisis being a data breach-related scenario (Drevs et. al, 2014). The technological context on top of the healthcare scenario may awaken citizens to the reality of the situation and realize a sector is better suited to handle a given challenge. Along with performative competencies, other research such as crisis preparedness, communications, or resource-based factors which are showcased in organizational resilience theory, may help provide guidance on external and internal perspectives about organizations and their ability to navigate and respond to crises (Denyer, 2017).

Citizens' sector switching and even instances of what could be called sector skipping found in these results, advances several key questions about sector theory, particularly centered around publicness and debates revolving around sector differences. Early and established theory indicates that individual preferences would likely switch to more similar types of hospitals such as public to nonprofit in that order or vice-versa. This notion comes from public values theory, which highlights similarities of the public and nonprofit sector as having similar ethos (Rayner et al., 2011), values (Jørgensen and Bozeman, 2007, Witesman and Walters, 2014), and motivations (Perry and Wise, 1990; Wright, 2001). The similarities embodied in these two sectors are not naturally connected with the norms of the private sector (Jørgensen and Bozeman, 2007), which provides a potential inclination of how individuals may favor nonprofits and public organizations more relatedly. However, it is noteworthy that citizens are skipping across the continuum on more than one occasion. It is apparent that preference formation for public and nonprofit organizations tend to be more similar than the private sector. This is the case especially in terms of citizens grouping nonprofit and public organizations together when either of them is portrayed in a negative light or implicated in a crisis. The findings suggest a need for deeper conversation about publicness theory and how citizens' views and perceptions may speak to additional gaps or critique of research in this space.

Arguably for this paper, the anti-public sector bias, which was not noticeable in the initial sector preferences results, but clearly awakened post-crisis, presents a worthy narrative that this bias may be rather subdued in subsectors and domains that citizens more routinely use to regarding specific services. It is possible that citizens may give some benefit of the doubt to sectors that they may not fully be supportive of or satisfied with generally and in other areas, but the preferences that they form may be out of convenience or simply necessity. But a crisis or

failure may be that breaking point that stirs up citizens' sector biases causing a robust reaction and movement toward a dissimilar or different sector provider such as for-profits as shown in this study.

It is quite possible that citizens may recall and reflect on earlier negative information or experiences about the public sector as well as the nonprofit sector. Research indicates that citizens are more negative toward failing service deliveries in public organizations than they are with private organizations (van den Bakerom, et. al, 2021). This higher negativity that has been evident in the public's reaction toward public sector organizations may easily spread and connected to nonprofits, who may be viewed more similarly (e.g. public values), have more to prove, but farther to fall in citizens' psyche. Over the last two decades, negative attention has been amplified across the sectors due to increased media activity and particularly the addition of social media as a means of citizens observing and subsequently reacting to negative stories and crises. Nonprofit organizations have particularly been hit hard with negative news stories due to troubling issues of mismanagement and misconduct although in a newer and underprofessionalized sector. Previous studies have highlighted the nonprofit sector's halo in the form of higher reputation, trustworthiness, and even preferences relative to the other sectors. However, this halo has been noted as more fragile for nonprofits than the public and for-profit sectors due to lower expectations and baked-in perceptions about the sectors (Ruddle, et. al, 2022). Interestingly, this reputational fragility associated with the nonprofit sector may further weaken nonprofit organizations' chances to gain preferences when public organizations are implicated in a crisis because of their similarity in terms of public values and general motives. Unfortunately, further study is needed in order to come to stronger conclusions about this notion. The chief focus of this paper was examining pre-post differences of citizen preferences toward sector providers when a crisis stimulates an individual re-evaluation of initial preferences. But it is crucial to look at the full spectrum experiences and how organizations can turn around, restore, or even gain back citizens as their top choice among sector providers.

There are several cases of organizations across each sector who have found avenues to repair trust in organizations such as the Wounded Warrior Project in the nonprofit sector that provides veterans support services and marred by financial and non-financial crises (Seck, 2019).

Likewise, other organizations across sectors have faced similar tests and resolved these types of negative impacts, while others have failed to make the critical turnaround. Conditions, information access, and various factors that affect citizens' perceptions as well as behavioral intentions and real choices are worthwhile to explore. Particularly, factors such as political ideology, employment, and education could be critical areas to further explain individuals' sector preference formation.

In terms of implications for private, public, and nonprofit management, organizational leaders may be better prepared to handle a crisis knowing citizens' attitudes and perceptions of blame across the sectors. How individuals, staff, and various stakeholders react to these crises may be critical for organizational survival and a turnaround during a period of uncertainty.

Certain signals of competency, readiness, and ability to handle a variety of crises could lead to a more resilient standing as perceived by the citizen-consumer.

#### Limitations

Any appraisal of this study's findings must include a recognition of its limitations. First, limitations on methodological approaches to collect and analyze individual behavior, especially in a true-to-life context such as a hospital setting, should consider that individuals likely explore

and process information more protractedly when forming preferences (Petty & Cacioppo, 1986; Walsh & Mitchell, 2010). Behavioral science research has emphasized that individuals lean on information cues, heuristics, and previous experiences in order to speed up decisions, and while sector may likely be a naturally prompted cue, this study like similar studies specified it in a hypothetical, albeit realistic situation (Marshall & McLoughlin, 2010).

As is the case with any scenario-based research design, the results may be influenced by the particular environment and unique elements of the scenario such as the context of choices before and after a hospital is impacted by a data breach crisis. While the data breach scenario is a relevant and prominent issue facing hospitals across all sectors, it is only one type of crisis out of several other potential problems that could affect an individual's sector preferences. It is reasonable to suggest that further research is needed to see if similar changes of an individuals' preferences are present in other types of crises, and if the private for-profit sector possesses the same robust resilience regarding citizens' preferences as was found in this study.

Similarly, as other types of crises may affect preferences differently, the hospital context or healthcare environment may be unique regarding individual preferences and how they are formed. It is important to note that this study focuses on one type of organization in the health/medical subsector. By using the hospital context, the study can reasonably compare individual preferences across each of the three sectors. The choice of using this specific context is founded on several previous studies that have also utilized hospital or healthcare-related scenarios in order to practically compare consumer and the general public's perceptions, preferences, or other opinions (Meier, et. al, 2022; Meier, et.al, 2019; Drevs, et al., 2014; Ruddle, et. al, 2022). Variations in individuals' preferences are likely to be more robust with actual agencies or existing organizations that are more well-known to citizens. As mentioned above,

whether these results are exclusive to hospitals rather than indications of general trends within sectors is only answerable with further experimental studies that examine different types of organizations such as schools, mental health providers, employment centers, etc.

Previous studies have generally undertaken a systematic comparison of sectors or ownership statuses and has favored an approach of measuring individual beliefs via reputation, trust, or other similar measures to better understand public perceptions of sector organizations (Handy et. al., 2010; American National Election Studies, 2016; Edelman, 2019; Independent Sector, 2016; Ruddle, et. al, 2022). This study provides a richer examination of citizen perceptions by assessing an individual's actual behavioral intentions and choices when selecting a public service, not solely traditional beliefs or stances on issues and organizations. By advancing the literature into a real behavioral and choice environment such as this, there are deeper options to explore and examine citizens' preferences across sectors and situations. Experimental research on citizen preferences for services is in its infancy and requires further inquiry across all sectors and issue areas. Advancing developments of scholarship in psychology, political science, management (public, nonprofit, private) will help enrich our understanding of sector and particularly how citizens' view sector in a real behavioral context. In order to acquire an enhanced view of sector's influence on citizens' perceptions and preferences, further studies should also investigate how organizational dynamics such as leadership roles, decision-making in an organization, and reactions across various stakeholder groups play a factor in these spaces. Additionally, research should interact these dynamics with differing organizational crises to see the individual and collective effects.

#### Conclusion

Scholars are in the early stages of understanding citizens' perceptions, let alone citizens' preferences for public services. Previous research on individual perceptions has relied heavily on dimensions of trust, reputation, satisfaction, or favorability, which have been useful to understand attitudes across various stakeholder groups, but not as comprehensive as needed. Likewise, most contributions to develop sector theory have leaned heavily on perspectives across stakeholders such as administrators, staff, elected officials, and donors, but lack the insight, attitudes, and experiences of citizens who have a unique role in organizational accountability (Witesman, et al, 2022). Further examination of the public's role as citizen-consumers and how citizens' preferences for services vary across conditions is warranted and offers a more holistic view of citizen-organizational experiences. Sector is a constructed feature of society that has been shown to matter and bear weight on individual attitudes and behavioral intentions (Handy et. al., 2010; Drevs, et. al, 2012; Witesman et. al, 2022). These very attitudes take the form of preferences and choices at a behavioral level, which has implications for public, private, and nonprofit management due to the role of citizens as consumers and observers.

This study expands on prior research focusing on individuals' perceptions of sector, but additionally, advances a dynamic research agenda by investigating individuals' preferences for sector and how preferences may change toward other alternatives. There are several opportunities to examine these changes, one prominent space is during times of uncertainty or an organizational crisis, when individuals re-evaluate an organization's abilities, performance, and potential. Using a constructed comparison of similar organizations (hospitals) across the public, nonprofit, and private for-profit sectors, this study finds that the private sector possesses a unique resilience in terms of citizen preferences for public services especially as the public and

nonprofit sector is affected by a crisis. Remarkably, citizen preferences are significantly and negatively influenced by a crisis, but only in scenarios where the public and nonprofit sector is implicated. The experimental findings emphasize that citizens' preferences can migrate from one sector to another, especially in the context of an organizational crisis. This sector switching and, in some cases, sector skipping by citizens toward the private sector suggests a need for a sensible reevaluation of publicness theory and a better understanding of the implications of sector in normal and uncertain times.

# Chapter 4: Citizen Accountability in a Multi-Sector Marketplace: Experimental Assessment of Blame Attribution Across Sectors

#### **Abstract**

As sector boundaries have become increasingly blurred, citizens have further access to additional service providers in the same marketplaces such as education, hospitals, and job training centers. Due to these sector shifts and opportunities, citizens have a more expansive role in terms of public accountability through their observations and perceptions of organizations across sectors. Results from the latest experimental surveys related to public perceptions and specifically, blame attribution, feature mixed findings of citizens' expectations of government, nonprofit, and private for-profit providers. Based on theoretical insights of blame attribution, sector bias, and research on organizational crises, this study asks, how does blame attribution in multi-sector arrangements or mixed marketplaces compare across sectors? An experimental survey is crafted to compare citizens' attribution of blame across different sector providers, specifically in the context of an organizational crisis, where citizens reevaluate their perceptions and feelings related to organizations. A reasonable venue to study sector providers in one comparable setting is in healthcare or a hospital setting, where citizens have experiences as observers and consumers in a mixed marketplace. Results initially, but minimally indicate that nonprofits receive less blame when implicated in a crisis relative to for-profit and government providers, but not at a high level of statistical significance. A multivariate analysis shows other predictors are more significant in impacting individuals' assessment of blame toward providers, which indicates null findings. Ultimately, these results highlight the need to understand citizens' expectations of organizations in terms of abilities, performance, and responsibility. Further exploration of these perceptions is needed to help address issues related to public, nonprofit, and private management.

#### Introduction

The sector convergence era of today features increasingly blurred boundaries between the sectors due to notable public service distribution changes such as contracting out, privatization, and increased public access to mixed marketplaces. This multi-sector arrangement has unlocked both opportunities and challenges for providers, but also citizens, who have an important role in the citizen-state accountability chain (Piatak, Mohr, and Leland, 2017). This convergence of government (public), private (for-profit), and nonprofit organizations into similar if not the same marketplaces has expanded citizens' options—subsequently giving citizens a more expanded role of assessing and evaluating public services. However, this sector shifting leaves several accountability challenges unanswered as it pertains to citizens' perceptions and experiences (Johnston and Romzek, 1999; Posner, 2002; Leland, Mohr, and Piatak, 2012). Due to these relatively new boundary shifts, only marginal theoretical or empirical attention has been given to citizen-state accountability questions in the space of multi-sector arrangements (Salamon, 1981; Marvel and Girth, 2015).

Furthermore, we know remarkably little about how citizens perceive organizations when they exist in the same marketplaces, except in studies measuring baseline attitudes such as organizational reputation, trust, and satisfaction (Handy et. al, 2010; Drevs, et. al, 2014). Importantly, research has only touched the edges of examining citizens' perceptions toward sector organizations let alone across different conditions such as positive or negative scenarios in which citizens may realistically face. Citizens unfortunately face minor and major setbacks in the delivery of public services across each sector and oftentimes these types of failures take the form of crises, which have been shown to impact citizens' perceptions and initiate a reevaluation of previous expectations of specific sector types (Ruddle, Robinson, and Fister, 2022). New

studies that have intertwined citizens' perceptions and the impacts of negative events such as failed service deliveries have improved our understanding of these perceptions with noteworthy research utilizing blame attribution theory in contracting and third-party governance (Marvel and Girth, 2016; Piatak, Mohr, and Leland, 2017; Leland, Mohr, and Piatak, 2021). However, none of these studies have examined crises in a critical space where all three sectors are present with only one recent work having examined perceived differences of sector reputation and varying effects of crises on organizational trustworthiness by ownership types (Ruddle, Robinson, and Fister, 2022).

This study expands on accountability research and work on sector differences by employing an experimental survey to see how citizens in this era of blurred sectors attribute blame and hold organizations responsible across each sector when a service delivery failure occurs – taking the form of an organizational crisis. Moreover, as citizens attribute blame to organizations that are implicated in a crisis, several variables such as sector biases, previous expectations, and experiences influence individuals' perceptions, making it important to examine and test those factors in their overall attitudes. Ultimately, this study asks, do citizens hold sector organizations equally responsible when implicated in a crisis? In other words, does blame attributed toward an organization during a crisis vary across sectors?

In order to properly assess citizens' attribution of blame, a proper context of study is needed. The U.S. healthcare system, specifically hospitals offer a worthy opportunity space to study sector differences where nonprofits, for-profits, and government all provide services to citizens as consumers (Drevs, et al, 2014; Meier, et. al., 2022). Using an experimental design, the study provides a space for citizens to blame a sector organization's level of responsibility when a crisis occurs. Findings for this study highlight sector's unique and complicated effect on

citizens' assessments, especially when configuring for other predictors. Exclusively, when respondents learn of a data breach that has occurred in an organization, citizens attribute less blame toward nonprofits who are implicated in a crisis relative to when a crisis occurs in a public or for-profit hospital, but that is only marginally, and rather minimally significant. Interestingly, the results also indicate that both for-profits and public hospitals are relatively indistinguishable from one another in terms of level of blame attributed to each organization by citizens. This finding suggests a different and unexpected reaction than the previous chapter's results on preference changes with gains only being distributed to the private for-profit hospitals after the introduction of a crisis. Additionally, these results may partially dismiss studies that have highlighted citizens' anti-public sector bias (Marvel, 2015; Marvel, 2016; Hvidman and Andersen, 2016) and individuals' continual evaluation of public services directly provided by government in negative situations at a lower level than other sector peers.

## Context for Study: Accountability in a Multi-Sector Marketplace

Mixed marketplaces and the expansion of public services distributed outside of government have become a common phenomenon over the last few decades. Citizens and other stakeholders interact with public service deliveries across three core sectors: public (government), private-for profit, and nonprofit. In the context of governance today, it is a pervasive development that many sector providers exist in the same domains, subsectors, or service areas such as health care, hospitals, education, housing, mental health, and job training (Handy et. al, 2010). Different sector providers are currently competing and entering new marketplaces as they delivery consumer and social goods (Marvel, 2015; Ben-Ner, 2002; Witesman, et. al, 2022). Individuals' increased interactions with government, for-profit, and nonprofit organizations assist in shaping individual expectations and perceptions, which are

important for understanding public attitudes toward sector providers, especially in this new normal of mixed markets (Handy et. al, 2010).

This sector convergence occurs behind the backdrop of government failure, privatization efforts, and contracting out of public services (Osborne and Gaebler, 1992; Box, 1999; Kettl, 2002; McLaughlin et al. 2002). Efforts to understand this phenomenon connect to many studies and statements related to New Public Management, which highlight the normality of cross-sector arrangements and additional growth for non-traditional service providers competing in atypical service areas. This mixing of sectors has given individuals further options and a greater array of services to choose across each sector, however due to the development in the mixed-sector economy, citizens may not fully understand their role in accountability with public services being distributed by other sectors outside of government (Salamon, 2002). Due to these shifts in governance arrangements and increased multi-sector service deliveries, questions related to citizens' behaviors and roles in bureaucratic accountability need to be reexamined. Previous studies have examined these questions notably with prior lenses of sector distinctiveness and notions of separate private, public, and nonprofit entities, which is not necessarily the case to the same degree today (Rainey, et. al, 1976).

One of those mixed-market spaces that has become suitable for studying sector differences are health-related services. Particularly, hospitals or other health providers have been shown to be a relatively ideal space for examining sectors in terms of the economic and societal implications. Citizens have several opportunities to interact with all three sectors when choosing hospital providers and other health-related services (Drevs, et. al, 2014; Hvidman and Andersen, 2016; Meier Johnson, and An, 2019; Meier, Song, Davis, Amirkhanyan, 2021; Ruddle, Robinson, and Fister, 2022). In this mixed-market setting, all three sectors compete for citizens'

business. Additionally, on top of citizens' role as a consumer in the marketplace, citizens also act as a layer of accountability to organizations and their respective administrators and governance systems (Farwell et. al, 2019; Pegnato, 1997, Smith and Huntsman, 1997; Thomas, 2013; van de Walle, 2018, Van Slyke and Roch, 2004). As citizens process and decide on a service provider over both the short-term or long-term, they take on the citizen-observer role and consider variables such as an organization's perceived trustworthiness, performance, and associated costs along with existing preferences for services. These perceptions may be based on previous experiences, awareness, accessible information, or other factors.

Importantly however, organizations are not perfect entities. Often things go wrong, and organizations fail to adequately provide public service deliveries to the public. An organizational failure is not sector agnostic and may arise in a variety of forms such as quality of care issues, inefficient delivery times, or technological failures or burdens affecting an organization and/or potential consumers. Ultimately, these problems can take the form of an organizational crisis – a period of concern that causes citizens to subsequently react and reevaluate their perceptions of organizations (Coombs & Holladay, 2002; Webb, 1996). These crises are viewed by the public as breaches of trust and a violation of societal expectations by the organization (Beldad, et. al, 2018; Coombs, 2006). Consequently, due to these issues, citizens are given the opportunity to assess organizations whether they observe the problem(s) from the outside and/or as one of the affected parties. During service delivery failures and a variety of crises, individuals place blame on organizations for the crisis occurring (Webb, 1996).

Under these new multi-sector arrangements and increased interactions with sector organizations, citizens have a more expansive role in holding organizations accountable.

However, the extent to which citizens hold organizations accountable and blame sector types

similarly or differently for a crisis has not been fully revealed in the literature today, particularly when all three sectors are being examined at the same time. The following section discusses blame attribution theory and its intersection with public accountability during organizational crises in the multi-sector marketplace.

## **Blame Attribution Theory**

A core piece of this study's theoretical framework centers on blame attribution theory and its connection with citizens' accountability roles in the multi-sector service delivery environment. Accountability is a multi-dimensional concept and lacks a unified definition, but it centers on the public's expectations of individual and organizational responsibility across various positive or negative conditions. Largely, a core component of accountability is controllability (Koppell, 2005). In negative situations particularly or when something goes wrong, the public assesses the amount of control an actor or collective group has for a given situation as well as levels of responsibility. After assessing those aspects, individuals subsequently attach blame to a responsible entity.

Blame is an important feature of citizens' interaction with government whether through experiences with elected officials or the actual delivery of service provisions across each sector (Hood, 2011). Due to these relevant and common experiences that citizens have with government and the sectors broadly, research focusing on citizens' blame attribution and accountability are critically important concepts to interact with the study of public administration (Sievert, Vogel, Reinders, Ahmed, 2020). This paper examines these perceptions by focusing on the impact sector has on citizen assessments and if blame attributed to organizations varies due to different sector providers being linked to a crisis.

Blame attribution theory has been applied across disciplines, but psychology has laid a formidable foundation for theoretical development due to the nature of behavioral and perception-based constructs in these applications. The usage of behavioral experiments and psychology-based survey designs have been important for advancing blame attribution theories to explain individual perceptions and behavior (Malle, 2011). Generally, blame attribution can be conceptualized as an act of recognizing a prevailing problem or situation that is deemed to be wrong and assigning blame for that problem appearing (Shaver; 1985; Hood, 2011). Blame attribution theory discusses individuals' perceptions of an actor or an entities' responsibility and controllability over specific outcomes (Heider, 1958; Alicke, 2000; Alicke, et. al, 2008). In the context of negative situations, the public places blame on an actor or collective group for a problem occurring whether it be in the form of misconduct, negligence, or other types of organizational crises generally (Koppel, 2005; Alicke, et. al, 2008; Coombs & Holladay, 2002; van de Walle, 2004; van de Walle, 2016; Sievert, Vogel, Reinders, and Ahmed, 2020). Negative information has been shown to trigger responses of blame; as a problem is portrayed more negatively by the media, individuals are more likely to respond in assessing blame (Hood, et. al, 2015). Studies show that individuals seek out relevant information and use previous knowledge to link levels of responsibility and judgments toward certain actors who may or may not be directly implicated in a particular problem (Schlenker et. al, 1994). An individual's prior assessment of an actor or group's abilities, intent, and culpability can help form opinions of appropriate blame and subsequent reactions to hold those implicated accountable (Schlenker et. al, 1994; Alicke, et. al, 2008). Blame attribution has been shown to depend on various contexts, especially in negative conditions. Ultimately, an individuals' perceptions, expectations, and

understanding of the overall players in the environment influences behavior and attributed blame toward those deemed responsible (Piatak, et. al, 2017).

Political science and public administration studies have recently made connections with blame attribution theory in order to expand on our understanding of the citizens' role in holding government and organizations accountable. Theoretical intersections of blame attribution theory and questions related to accountability have been on the rise in the last few decades and a heightened focus beyond more traditional political accountability has been prominently featured. Blame attribution theory has been utilized to discuss political failures, (Lau, 1982, 1985; Weaver, 1987) political gamesmanship among elites, manipulation of public opinion (McGraw, 1991), and actors' efforts to frame problems with partisan and negative biases (Rudolph, 2003; 2006). Studies highlight comparisons between public managers and elected officials receiving blame for certain failures. Additionally, research showing different actors' capacity to avoid blame across different conditions has been a helpful step in understanding citizens' perceptions of government performance (James et. al, 2016; Weaver, 1986).

Outside the more conventional research questions related to blame attribution, research has begun to examine citizen evaluations of government, the bureaucracy, and public service delivery providers (James, et. al., 2016). Studies have looked at blame attribution regarding trash collection performance issues (Marvel and Girth, 2016) and contracting situations including for-profit and direct public service providers across different levels of government (Piatak, Mohr, and Leland, 2017; Leland, Mohr, and Piatak, 2021). Even though accountability is a difficult concept to determine or explain generally – especially, to the everyday citizen, individuals still have been shown to make evaluative judgments about organizations and that the perceived responsibility of an organization over a given problem helps citizens decide on the appropriate

level of blame to be placed on an organization even without complete information (Leland, Mohr, and Piatak, 2021). Ultimately, citizens lean on heuristics, cues, and previous expectations that they have about organizations (Downs, 1957; Lupia and McCubbins, 1998; James, 2011) even in complicated accountability arrangements in this era of sector blurring. These cues or shortcuts that individuals use is an important component in understanding citizen behavior and overall perceptions of service deliveries across sectors. This study examines attributed blame toward organizations during a service failure and in the case of an organizational crisis when citizens are given cues about the sector provider being potentially responsible for the crisis. Citizens make judgements about an organization's abilities, reputation, and legitimacy through the lens of messaging and images, especially as they become enhanced by the media (Coombs & Holladay, 1996). Studies have focused on the public's expectations of services whether provided by government, for-profit, or the nonprofit sector and citizens' assessments of services (Marvel & Girth, 2016; Piatak et. al., 2017; James et. al, 2016). Citizens' evaluations of organizations are influenced by expectations of the overall quality of service and performance broadly across several metrics. Notably, individuals tend to be more responsive in evaluating organizations when negative issues or conditions arise, which may accordingly make individuals feel more compelled to respond due to impacts to them directly or others. Citizens are likely to come into direct or indirect contact service failures or problems in which organizations fail to adequately provide an expected service. Additionally, in negative situations such as a service delivery failure, citizens may take an active role in reevaluating and attributing blame toward organizations due to the service inadequacies or performance failures broadly across various contexts.

# **Sector Expectations**

As individual expectations of organizations have been shown to matter in determining responsibility and blame attribution, citizens' expectations and general perceptions of each sector are a critical piece to discuss. Scholars have shown that citizens' evaluations of organizations are affected by sector-linked biases, (Marvel, 2015; Meier, et. al, 2019) which help shape an individual's perception of sector providers. Government has largely been marred by an antipublic sector bias that is highlighted by negative public attitudes surrounding the sector's ability to provide public goods and services (Meier, Song, Davis, and Amirkhanyan, 2021). Citizens tend to evaluate public organizations more negatively relative to other sectors (Marvel, 2016; Marvel and Girth, 2016; Piatak, Mohr, and Leland, 2017; Sievert, Vogel, Reinders, and Ahmed, 2020). On the other hand, nonprofit organization have been more highly favored with better marks on trustworthiness and stronger reputations whereas for-profit firms measure high on innovation, competence, and efficiency (Drevs, Tscheulin, and Lindenmeier, 2014). Also, research has indicated that when people believe they are receiving services from a nonprofit, they are more likely to evaluate the quality of the services more favorably as compared to other providers (Van Slyke and Roch, 2004; Child and Witesman, 2019). Importantly though, some studies have doubted sector biases and further question if citizens truly perceive sector differences or ownership types (Schelsinger et al. 2004; Handy et. al, 2010; Schlesinger and Gray, 2006).

## **Blame Attribution and Organizational Crises**

To examine blame attribution in this multi-sector arrangement, an appropriate space and setting needs to be established. During an unexpected event or a negative situation such as a service delivery failure, individuals assess the problem environment and re-evaluate prior

perceptions of organizations regarding their abilities, performance, and overall potential (Coombs, 2009; Coombs, 2012). Importantly, organizations across all sectors face crises that have the potential to significantly damage an organization's image, reputation, and perceived status. Crises can negatively affect an organizations' perceived reputation and status due to violations of public expectations (Beldad et. al, 2018; Coombs, 2006). Research has discussed the negative impacts of crises on customer loyalty (Helm & Tolsdorf, 2013), favorability (Wei et al, 2017) and stockholder reactions and valuations of stock prices (Wei et. al, 2017). Ultimately, crises' negative effects indicate significant public perception changes toward organizations that are implicated in a crisis. Over the last few years, several crises have been more pronounced and a part of citizens' observed experiences due to increased media and social media coverage. A few examples of organizational crises that have been scrutinized by the public across each sector include U.S. agencies' unclear responses to Covid-19 (Robinson, et. al, 2021), Boeing 737 Max safety issues (Gelles and Kitroeff, 2019), and scandals in the nonprofit sector such as the Wounded Warrior Project (Seck, 2019). During these failures and crises boosted by negative attention, individuals reevaluate their initial perception of an organization and determine the degree to which the organization should be penalized and blamed for the problem (Tucker & Melewar, 2005).

## **Hypotheses**

Based on theoretical insights from prior studies, this study's research question is related to the extent and degree to which citizens blame organizations across each sector type when an organization is implicated in a crisis. Hypotheses for this study were formed based on sector theory and previous studies regarding accountability, blame attribution, sector biases, and organizational crises. Some expectations can be made due to core theoretical and empirical

contributions, which were discussed earlier. First, the basic research question can be formulated in a simple null hypothesis that blame attributed to an organization does not differ across sectors.

H0: The expected blame attributed to an organization during a crisis is equal to the expected blame of a similar organization in a different sector.

This hypothesis is expressed formally below, whereas the blame attributed to an organization i in sector j is equal to the blame attributed to the same organization as if it was in a different sector than j.

H0b: Blame<sub>i,j</sub> = Blame<sub>i, $\sim$ j</sub>

There is an expectation that the nonprofit sector could be shielded and given some degree of forgiveness since nonprofits are viewed as more trustworthy, reputable, and perceptions may not be as etched as deeply in the public's mind (Hansmann, 1980; Coombs & Holladay).

**Hypothesis 1:** Nonprofit hospitals will receive less blame than both government and for-profit hospitals when the organizations are implicated in a crisis.

Additionally, due to the heightened negativity bias found toward government, this study expects to see a bias toward government hospitals in the same way (Marvel, 2015; Meier, et. al, 2019.) Government hospitals are likely to be blamed more than the other sectors due to negativity and the public sector being primed together.

**Hypothesis 2:** Public (government) hospitals will receive more blame than both nonprofit and for-profit hospitals when the organizations are implicated in a crisis.

In the next section, the study will explain the experimental design, methodology, and data that was collected to help associate the theoretical linkages to the overall research question and the hypotheses stated above.

# **Experimental Design and Data**

To measure citizens' blame attribution toward organizations across each sector and to test the study's hypotheses, a randomized survey experiment was constructed. This study's survey experiment employs a fictional news article vignette based on realistic data breach crises affecting an organization. The fictional, albeit realistic vignette presented to respondents through this survey process allows for a space of contextual realism and increased external validity relative to lab experiments (Aguinis and Bradley, 2014). Recently, calls for more experimental work in public administration have subsequently ushered in a new period of behavioral public administration and an increase in experimental survey designs to understand individual experiences with government and civil society (Baekaard et. al, 2015; Grimmelikhuijsen et al. 2017).

First, the hospital setting offers a helpful context to examine citizen's perceptions of sector differences. Particularly, health care is one of several spaces that can help us better understand similarities and differences between the sectors (Drevs, et. al., 2014). For this study, a specific setting was produced which could be recognized by respondents as a realistic and applicable situation for reasonable comparison. Secondly, choosing a type of crisis that was familiar to the public was important for commonality purposes. A data breach crisis was assessed to be a proper organizational challenge facing all sectors. These crises specifically provide an opportunity for citizens to react to organizational and individual/personal vulnerabilities due to increased and prominent cyber impacts that have occurred across the globe (Groenendaal & Helsloot, 2021; Jercich, 2021). Recently, reports state that in 2021 alone, more than 40 million people were affected due to breaches of personal health information whether directly or through health care facilities (Jercich, 2021). The commonality of the data breaches across sectors let alone in health-based settings highlight the significance of this type of crisis. Overall, citizens' familiarity with first, hospitals and secondly, data breaches make this setting an

applicable spot for understanding citizens' perceptions and subsequent blame placed on organizations when a crisis occurs.

For this survey, data is based on a representative sample of the U.S. adult population retrieved from Lucid Theorem. Lucid is a relatively new survey respondent marketplace that has been shown to be comparable to national benchmarks and a reliable option for evaluating social scientific theories (Coppock and McClellan, 2019). Lucid Theorem particularly has been set up as a tool for researchers and scholars to target specific respondents. The survey experiment took place between August 2-3, 2021. Respondents spent on average approximately seven minutes from start to finish. For completion of the survey, respondents were compensated \$1.00. A total of 1,682 respondents were recruited through Lucid.

In terms of the experimental segment, all respondents first answer basic questions related to sector preferences and performative metrics for each organizational type. After those initial benchmark questions are completed, respondents proceed toward the experimental treatment phase. Respondents are prompted to read a fictional news article discussing a data breach at a hospital. Individuals were randomly assigned to three different tracks where sector is the condition varying across tracks: (1) public, (2) for-profit, and (3) nonprofit. An attention check was added in the survey early and if respondents did not answer the question correctly, they were unable to complete the survey. The attention check was a simple mathematical question in its design, but a full attentive reading of the entire text of the two-sentence question was imperative in selecting the correct answer. Additionally, a manipulation check was added to monitor issues with respondents' attentiveness to the sector treatments. In each of these treatment tracks, respondents received a question about the amount of blame the hospital deserves for the data

breach crisis (Table 1). The amount of blame for each hospital was set up on a 10-point scale (0= no blame, 10, all of the blame).

Additionally, within these treatments, organizational roles (chief executive officer, board, and staff) varied in the sector tracks to understand the implications related to blame toward specific groups or entities, which is discussed in the following chapter. The manipulation of different roles simply added an additional layer of analysis for the additional paper. For this study, the organizational roles were collapsed across each sector treatment path and combining the treatments together can be justified since first, the tracks are equal and second, are essentially any effects are zeroed out across each sector condition. The vignette examples and survey question wording are found in Table 4.1.

Table 4.1: Survey Experimental Vignette and Survey Questions

# Vignette

In the past few weeks, reports have uncovered that the Memorial Community Hospital, a *[nonprofit/government/private for-profit]* run facility has experienced a data breach. More details are to come, but it appears a full investigation is under way, and it will continue over the next few months to better understand this issue.

Questions remain about the lack of protection for the hospital's data. New information shared today discloses that the hospital's *CEO/board of directors/IT staff* was/were considering security adjustments and promoting technological advancements to prevent this type of attack, but no changes had been made when the data breach occurred.

### **Blame Attribution Question: Post Treatment**

How much blame does the hospital deserve for the data breach? (from "0" being no blame to "10" being all.)



Based on survey sampling considerations and checks on respondents' attentiveness, responses were removed if respondents failed the initial attention check if respondents failed the attention check. After eliminating the low-quality responses due to failed completion of the survey, the final data set used for this particular study was 1,344 respondents. The demographic composition of each of the different treatment groups is shown in Table 4.2. The balance tests suggest that the randomization of treatment groups worked appropriately and were statistically indistinguishable from one another. Chi-squared tests were used to analyze differences between treatment groups and important demographic variables such as gender, income, age, and political ideology against the null. Overall, the analyses show that there was no meaningful difference between the treatment groups. Lastly, while bivariate tests hypotheses are largely viewed as adequate for experiments, additional steps of examining hypotheses were done using a multivariate model. This study utilizes multivariate regression in modeling the amount/level of blame attribution, which has been also conducted in prior studies (James et al., 2016; Marvel and Girth, 2016; Piatak et al., 2017; Leland, et al., 2021). Any additional information regarding the sample selection, descriptive statistics, and other data analysis techniques are available from the author on request.

#### Results

First, in this section, the descriptive and bivariate statistics are presented. Following the brief snapshot into those statistics, the study's multivariate model will be addressed. In the initial results, nonprofit organizations appear to receive the lowest amount of blame with a mean rating of 6.48 (out of 10 points) for the data breach crisis. Mean blame scores for public (government) and private for-profit hospitals are both clustered together above both nonprofits and the control treatment where no sector was mentioned. Public hospitals receive a mean rating of blame at

6.74 and for-profit hospitals at 6.73. Figure 1 shows the level of blame attributed to each sector type (with confidence intervals) when each of the hospitals are affected by a data breach.

**Table 4.2: Demographic Comparison by Treatment Group (Blame Experiment)** 

	Private	Public	Nonprofit	Overall	Comparison
Gender					
Female	53.1	54.2	46.8	51.4	X(6, N = 1,351) = 8.34, $p = 0.21$ (2-tailed)
Male	45.6	44.0	52.1	47.2	
Other	0.8	0.9	0.9	0.9	
Prefer to not answer	0.4	0.9	0.2	0.5	
Race/Ethnicity					
Non-Hispanic White	72.4	77.8	77.0	75.7	X(2, N = 1,410) = 4.39, $p = 0.11$ (2-tailed)
Non-White	27.6	22.2	23.0	24.3	
Income					
< \$25K	25.7	23.6	24.2	25.0	X(10, N = 1,347) = 10.3, $p = 0.91$ (2-tailed)
\$25K- \$49,999	27.5	27.0	25.7	26.7	,
\$50K- \$74,999	18.2	18.0	20.6	19.0	
\$75K- \$99,999	12.6	12.9	12.5	12.7	
\$100K- \$124,999	8.4	7.8	7.2	7.8	
\$125K or more	7.5	10.7	9.8	9.4	
Age					
18-24	10.8	8.0	9.2	9.3	X(8, N = 1,352) = 74.37, $p = 0.82$ (2-tailed)
25-34	20.5	19.6	20.5	20.2	
35-44	16.7	17.3	19.4	17.8	
45-54	10.6	12.7	11.2	11.4	
55 and over	41.4	42.4	39.7	41.2	
Political Ideology					
Average Ideology 1 to 7 scale (7 = strongly conservative)	3.9	3.9	4.0	4.0	X(18, N=1,490) = 9.4, p = 0.95 (2-tailed)
Sample Size (n)	450	449	445	1,344	

The nonprofit sector appears to be blamed the least relative to the other sectors but importantly after reviewing t-tests and the mean differences, nonprofit hospitals receive a relatively minor decrease in blame for the crisis as compared to the other sector providers. The mean difference of blame toward nonprofit hospitals and public hospitals is 0.21 and is statistically distinguishable only at the 0.07 level. Additionally, the mean difference between nonprofits and for-profits, is 0.20 and similarly is only marginally significant at a level of 0.08. As mentioned earlier, there is no statistically significant difference between public and for-profit hospitals in a crisis. Please see Table 4.3 for a breakdown of the mean differences by sector and respective p-values (two-tailed).

On top of basic t-tests and difference of means, a multivariate regression analysis was used to better understand the impact of sector along with other predictors in citizens' attribution of blame toward organizations during a crisis.

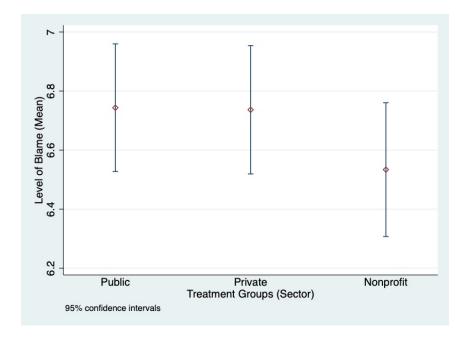


Figure 4.1: Level of Blame (Mean) by Sector

A multivariate regression model can help address underlying factors of citizens' blame formation. Ordinary least squares (OLS) regression was selected for the modeling. Importantly,

due to the 10-point scale for blame attribution and its similarities to Likert scale items that typically violate the assumptions of OLS, ordinal logistic regression model was run additionally for a robustness check. The ordinal logistic regression model did not differ in any substantial or statistical way from the ordinary least squares regression model. Due to no differences in the parameter terms and no changes in statistical significance, the OLS modelling that was initially employed was used for the primary analysis in this section. OLS modeling has been shown to be a preferred method in these types of cases due to the ease of interpretation (Angrist and Pischke, 2008). Meaningfully, the support for both hypotheses do not hold when controlling for all other variables in the multivariate model. Table 4.4 shows the results of the multivariate regression that highlights predictors for the level of blame that respondents give to the hospital for the data breach occurring. In looking at the Beta-coefficients, sector does not seem to matter in respondents' assessments of blame, but rather a respondent's age (p <.01) and income (p<.01) appear to significantly influence decision to blame a hospital for a crisis occurring. Only those variables appear to be a substantial predictor. The R-Squared of the model stands at 0.06.

**Table 4.3: Difference of Means (Blame)** 

Sector Comparison	Mean Differences (MD)
Nonprofit - Public	MD = -0.21, t = -1.82, p < 0.07 (2-tailed)
Nonprofit - For-Profit	MD = $-0.20$ , t = $-1.76$ , p < $0.08$ (2-tailed)
Public - For-Profit	MD = $-0.01$ , t = $-0.06$ , p < $0.95$ (2-tailed)

As mentioned previously, the initial results from the difference of mean scores regarding blame for each of the sectors showed minor and insubstantial differences between nonprofits and

the other two providers particularly in the view of needed context and only two tenths of a point difference in terms of mean blame. In a quick glance, the nonprofit sector appears to be assisted by a halo of sorts and an ability to not be blamed to the same degree of other sectors. However, the statistical significance is in the realm of 0.10 and does not near 0.05 level of significance or below. The multivariate model speaks to this further by indicating only age and income as the significant and substantive predictors in the model. Hypothesis 1 does not have sufficient support due to the low level of confidence in reasonably distinguishing between nonprofit and other sector providers. Related to Hypothesis 2, the same can be said for the initial readings that indicated that public (government) hospitals appeared to receive more blame relative to nonprofits, but intriguingly was not the case compared to for-profit providers, which were indistinguishable from one another regarding the level of blame. Hypothesis 2 does not hold when controlling for other variables. Therefore, Hypothesis 2 is also not supported strongly enough. Null findings appear to be the case for this specific project.

**Table 4.4: OLS Regression of Blame Attribution Across Sectors** 

	Model 1
Variables	B (SE)
For-Profit Hospital	0.24 (0.16)
Government Hospital	0.18 (0.16)
White	0.21 (0.17)
Age	0.32*** (0.05)
Income	0.16*** (0.04)
Female	-0.17 (0.13)
Ideology	0.01 (0.04)
Constant	4.83*** (0.30)
R-Squared	0.06
*** p<.01, ** p<.05, * p<.10	

#### **Discussion**

Citizens play a unique role in democratic and bureaucratic accountability as both observers and potential consumers of public services. The degree to which sector organizations are blamed by citizens for a service delivery failure or crisis occurring can be influenced by simple perceptions and early expectations of organizations and their respective abilities, perceived responsibility, and culpability. Various factors influence citizens' reaction and subsequent blame toward an organization during a crisis and although sector has been shown to play a direct role in citizens' attribution of blame, this study shows a minimal, albeit rather insignificant influence of sector on citizens' assessments. Ultimately, this study's findings oddly contradict prior studies showing a strong bias against public or government-run organizations as compared to other sector providers. Secondly, it is essential to note that initial descriptive findings indicated a lower level of blame given to nonprofit hospitals compared to public and private for-profit hospitals, but this statistical difference is minor and not substantively significant. Interestingly, mean blame differences between public and for-profits were statistically indistinguishable from one another and that in and of itself is a unique finding. Additionally, when adding in other predictors into the picture and controlling for other variables in a multivariate model only age and income were substantively and statistically significant. Prior work submits that citizens possess biases against government in the form of negative stereotypes assigned to agencies and organizations across levels of government. These stereotypes of burdensome, inefficient, and other negative attributes across different performance metrics speak to the sector bias or anti-public sector bias literature (van den Bekerom, van der Voet, and Christensen, 2020; Hvidman and Andersen, 2016). For this study, it is important to note that conditioning respondents to a specific sector or ownership type does not seem to

significantly matter in citizens' assessments of blame when an organization is shown to be in a crisis.

It is important to further address that this anti public-sector bias has been minimized in healthcare facilities, specifically such as nursing homes and hospitals (Meier, Johnson and An, 2019; Meier, Song, Davis, and Amirkhanyan, 2021). In these studies, the term public was used primarily to take the place of government in survey design. Similarly, to this study design, the connections citizens make to government may not be primed enough for respondents to react accordingly due to how the sector prompt is setup. Even as initial attitudinal results show partial evidence of an apparent sector bias manifesting itself and affecting citizens' likelihood to blame public and for-profit hospitals compared to nonprofits, the multivariate regression illustrated that there are some fundamental variables and distinctive predictors that are meaningful in individual assessments of organizational responsibility, culpability, and subsequently attributed blame. Because of the rather minor statistical differences of blame toward a hospital in the nonprofit treatment as compared to other sector provider conditions, there is no major concern in terms of heterogenous effects and their relation to the findings in the multivariate analysis.

As has been shown to occur in similar studies related to crises or scandals affecting reputation, trust, and satisfaction, the public or stakeholders react to negative information and seek to place blame on an organization and reconsider their support toward that associated organization and even organizational type (Coombs, 2007). Research that touches on organizational resilience theory across different resource constrained environments, crises, and communication narratives may help practitioners understand the type of guidance in handling external and internal perspectives about organizations and their ability to navigate and respond to crises (Denyer, 2017). It is quite possible that citizens may recall and reflect on earlier negative

information or experiences with sector organizations. Research indicates that citizens are more negative toward failing service deliveries in public organizations than they are with private organizations (van den Bakerom, et. al, 2020). But, over the last two decades, negative attention has been amplified across the sectors due to increased media activity and particularly the addition of social media as a means of citizens observing and subsequently reacting to negative stories and crises.

The findings also speak to implications for private and public management. Especially in the case of hospitals and in the commercialization blurring that is occurring across sectors, patients and potential consumers translate to either dollars received, or dollars lost. Sector preference changes or shifting choices intersected with blame attribution theory shows that perceptions matter and organizations must take public opinion seriously as well as ethical, managerial, and other organizational decision-making. Managers and leaders who realize the power of citizens as consumers and observers in this sector convergence era should further understand specifics about the degrees to which citizens will blame their organization for a particular crisis. Organizational leaders can be empowered and adequately prepared to communicate across various stakeholder groups, but if not willing to tackle these perceptions or misperceptions, organizations may lose out on funders, consumers, and in the case of hospitals potential patients. If managers and leaders across each sector are more knowledgeable about public perceptions and better prepared to handle a crisis, organizations can be led through crises and find ways to perhaps deflect blame or show resilience in uncertain times.

Lastly, public reactions to crises across organizational levels and subsequently other stakeholders can be critical for organizational survival. How an organization weathers the storm and succeeds in forging ahead during crises is an important component of any organizational

turnaround. But there could be something to be said about culpability and responsibility across different levels of an organization, particularly by job types such as a CEO, board member, midlevel manager, or street-level worker. How a specific worker or general job type is perceived by the public in terms of levels of competency, readiness, and ability to handle a crisis could likely matter and add richer detail about the degree of blame attributed across an organization and how it may vary not only by role but interacted with sector.

#### Limitations

The findings discussed in this study have their own limitations. First, trying to understand individual behavior in an important context such as a hospital setting in one experimental study has its own limits due to several considerations that individuals make when choosing a hospital for any type of service. The decision-making process for in choosing a health provider is a relatively complex process. Due to some limits in behavioral research, several considerations about how an experimental survey taken via technology over a short period of time could be deemed appropriate for public evaluations of health providers and the respective blame attached to each of them in a crisis. Individuals explore and process information typically at a different level or stage when evaluating information and especially regarding any behavioral reaction (Petty & Cacioppo, 1986; Walsh & Mitchell, 2010). Behavioral science shows that individuals rely on information cues, heuristics, and previous experiences to quickly determine a choice or a potential reaction and in this case, sector may likely be a naturally prompted cue for some subsectors, but in others there are differences in those perceptions, leaving some complexities still as an unknown even in a hypothetical, albeit realistic situation (Marshall & McLoughlin, 2010). In fact, research has indicated that in survey design utilizing the word "public" does not easily prompt respondents to think of government,

which may influence results regarding sector bias or the notion of the anti-public sector bias (Meier et. al, 2021). The survey for this study did subtly prompt respondents by having them read a brief introductory statement regarding each sector and ownership type with some general examples to negate this issue.

In this same vein, it is important to note that results may be influenced by certain environments and unique situations of where context matters in shaping individual choices. As is the case for this study, as respondents learn of data breach crisis affecting a hospital and potentially other stakeholders. While the data breach scenario is a relevant and significant issue facing individuals, businesses, and even hospitals across each sector, this study examines citizen blame in one type of crisis. Several contexts and issue areas could influence public opinion and an individual's choice for a sector provider. Further research is warranted to examine if blame attribution changes in other types of crises.

This study uses one type of organization in the health/medical subsector in the survey experiment. The choice to lean on the healthcare context for this study was decided due to the relatively comparable features of these organizations across all three sectors. Prior studies have also utilized hospital or healthcare-related organizations to comparably examine public perceptions, blame, preferences, and other important behaviors (Meier, et. al, 2022; Meier, et.al, 2019; Drevs, et al., 2014; Ruddle, et. al, 2022). Further experimental studies that observe blame attribution across different subsectors and issue areas would help provide a fuller explanation of citizens' awareness and the effect of sector on blame.

Traditionally, studies have examined public perceptions of ownership status and sector through measures of reputation, trust, and other performative metrics, which can be useful for managers and scholars alike (Handy et. al., 2010; Edelman, 2019; Ruddle, et. al, 2022). This

attribution through reactions and feelings of appropriate blame toward organizations. Further studies could use new advancements in technology, measurements, and analysis to enrich our understanding of citizen perceptions both broadly and deeply. Understanding public perceptions and willingness to blame organizations outside the U.S. context, especially in lesser developed countries and/or in anti-democratic states would considerably help advance theory and respective literature. Lastly, theoretical advances to blame attribution could focus not just on the organizational level but go deeper into specific organizational positions or leadership roles and how blame may be given toward individuals or groups rather than simply just the organization. The human element and ability for individuals to connect to concrete positions may provider richer and more clearer results not just in one sector, but across sector providers. Reactions by the public and other stakeholder groups toward other specific individual roles would be a step up in understanding the distribution of blame across different levels in an organization.

#### Conclusion

This study expands blame attribution theory into the multi-sector marketplace by adding the three primary sector providers into a realistic and testable space to examine citizens' blame toward organizations when a crisis occurs. Using a constructed comparison of similar organizations (hospitals) across the public, nonprofit, and private for-profit sectors, findings indicate a lower, albeit minimal level of blame assigned to nonprofits compared to public and for-profit hospitals when implicated in a data breach. In terms of statistical and substantive significance, this difference in blame assigned is rather minor and a multivariate analysis that includes other predictors speaks to the importance of other variables such as age and income when citizens assess blame for an organizational crisis occurring. This particular study

ultimately supports null findings as the direct hypotheses were essentially not supported, however there appears to be some interesting points to consider such as the lack of noticeable difference between public and private hospitals being blamed, which counters some of the antipublic sector bias literature over the last several decades. Other questions arise as to why the nonprofit sector's reputable halo, which has been noticeable in prior studies, does not appear to be as helpful in shielding the nonprofit hospital from blame during an organizational crisis.

The experimental findings emphasize marginally that blame citizens place on organizations may be potentially influenced by sector, but further studies across different subsectors and issue areas would help scholars and practitioners better understand this phenomenon in the sector blurring era. Lastly, it appears other predictors such as an individual's age or experiences play an important role in citizens' assessments of sector services, and particularly when attaching blame to an organization during a crisis. A clearer understanding of interactions between various demographic groups and experiences that citizens may have with specific sectors, subsectors, and other unique settings would prove useful in determining key predictors of citizens' assessments of organizations in the best and worst of times.

# Chapter 5: Citizen Blame: An Exploration of Blame Attribution Toward Different Job Roles During a Crisis

#### **Abstract**

Citizens rely on public service deliveries in a variety of capacities and while organizations routinely fulfill service needs, they can also fail to provide adequate services due to issues of wrongdoing, malfeasance, or incompetence which may be due to one individual or a collective group across organizational levels. When failures occur and betray the public's trust, individuals may subsequently hold organizations accountable by evaluating their performance and attributing blame for a failure. This paper adds to the relatively modest empirical work that has previously focused on citizens' assignment of blame, particularly by first, exploring whether specific organizational roles are more likely to be blamed when they are mentioned during a crisis and secondly, to what extent are specific roles such as the chief executive, board member, or lower-level staff held to blame relative to the overall organization? Lastly even more exploratively, this paper briefly looks at the interaction between blame attributed to these specific job roles and how the level of blame varies by sector. To explore these questions, this paper relies on an experimental survey created through Qualtrics and a representative sample of U.S. citizens recruited via Lucid Theorem. The experimental survey operates in the context of a data breach crisis which affected a U.S. hospital. Findings suggest that when respondents receive information about a data breach affecting a hospital and other potential stakeholders, a simple prompting of a particular organizational role or position with no direct causal link to the crisis raises the likelihood of blame being hire toward those mentioned in the news article.

#### Introduction

Organizational successes and failures are naturally occurring phenomenon across businesses, public agencies, and nonprofit organizations. Successful or unsuccessful outcomes are a byproduct of individual and collective efforts whether done actively, passively, or even intentionally. In organizations, employees from lower-level staff to higher-level executives are generally the most publicly recognized and present at the creation and fall of both success and failures. Leaders at the top including board members are seen as the public face of the organization and in the eyes of the general public more broadly than other support staff. But how recognizable are these organizational positions during a service failure or crisis and to how do citizens blame these roles across levels of an organization?

Specifically related to organizational failures, it is often complex to evaluate failure or associate problems to simply one individual role or function due to the complexity of organizational routines and contexts, however citizens may still feel compelled to evaluate service failures and attribute blame for a failure occurring due to likely impacts on members of the public (Malle, 2011). Citizen evaluations of services and the subsequent affixing of blame for failures is an important and increasingly standard feature of democratic and bureaucratic accountability. But we know relatively little about the extent and breadth of citizens' judgments toward specific job roles across organizational levels when associated with a crisis. Even though studies have shown that crises harm leaders' reputation across government and other organizations (Busuioc and Lodge, 2016; Coombs, 1995), comparing blame relative to other groups, especially in public administration research is in its infancy albeit a few critical studies (James, et. al, 2016; Marvel and Girth, 2016; Piatak, Mohr, and Leland, 201; Leland, Mohr, and Piatak, 2021). While some highlight the fact that citizens often lack proper information to make

and Malhotra, 2009), a major feature of citizens' role in accountability is evaluating services and in the case of failures, individuals seek to understand actors involved and their respective deed, acts, and intentions as well as the lack of foresight and choices that may have led to the problem (Bell and Tetlock, 1989; Hamilton, 1978; Fincham and Jaspers, 1980). Seeing the public's expectations not only of organizations, but of specific roles could prove useful to understand appropriate reactions by leaders, but also the right communication practices when an actual crisis occurs.

There are core implications for studying blame attribution theory across public and private management due to the effects that organizational failures have on public opinion and citizens' perceptions such as an organization's reputation (Coombs and Holladay, 2005).

Ultimately, an organization's survival is in play when blame is attached and further reaction causes drops in revenue, funding, and overall support (Guo, 2007; Smith and Lipsky, 1993). In exploring these questions and ideas framed above, this study employs a survey experiment through Lucid Theorem and finds that when respondents learn of a crisis and are merely told of a of particular role/position (CEO, board, staff) associated with an organizational crisis, the very prompting increases the likelihood of blame relative to other groups. Secondly, the findings suggest that there is some shielding of other roles in an organization when certain positions are mentioned initially. Lastly, purely as an exploratory endeavor, sector is introduced into the treatments, which interestingly muddies the water and makes citizens' blame attribution more complex, but also clearer in some scenarios.

#### **Theoretical Framework**

Reasons as to how individuals pass judgment and react to organizational failures are centered on important contributions of blame attribution theory. This study adds to prior contributions and provides another level of detail by exploring citizens' assignment of blame toward different employee positions across organizational levels when a crisis occurs. At its core in social psychology, blame attribution theory focuses on the explanations of individual behavior and reactions toward specific individuals and groups (Malle, 2011). An individual's assignment of blame is motivated by context, motives, perceived responsibility, and the degree of information that they have about a problem before coming to a determination of the appropriate blame that should be given to specific individuals or a collective organization (Hamilton, 1978). Additionally, the extent of blame assigned to an individual is based on the level of negativity and how much a person feels compelled to react and provide feedback (Malle, 2011).

Scholars intersecting through the fields of psychology, public administration, and political science have examined citizens' role in accountability and their willingness to attribute blame for negative outcomes and particularly service failures (James, Jilke, Petersen, and Van de Walle, 2016; Marvel and Girth, 2016; Piatak, Mohr, and Leland, 2017; Leland, Mohr, and Piatak, 2021). Importantly, the increased presence of media and social media influences have ushered in more extensive public scrutiny of these types of failures with the public acting as members of the audience as either passive watchers or active observers and potential consumers (Robert & Lajtha, 2002; Scurlock, Dolsak, Prakash, 2020). Ultimately, the public forms judgements about an organization's reputation and legitimacy through images and message dispersed greatly through the media (Coombs, 2007). As individuals wade through all of the information about issues and problems like failures, the public focuses on cues and recalls

previous experiences or expectations about individuals and entities to make certain determinations.

The reputations and legitimacy of specific individuals such as bureaucrats, executives, and leaders have been shown to be affected like organizations during a crisis. Blame is sometimes more easily associated with specific individuals than an actual organization that is being evaluated and assigned blame following negative events (Arnold, 1990; Hood, 2007). In order for individuals to attribute blame, an actor's perceived level of personal control, responsibility, and proximity to a particular outcome are to be considered (Bell and Tetlock, 1989; Hamilton, 1978; Fincham and Jaspers, 1980; Alicke, 2000; Alicke et. al, 2008). For organizations across all sectors, there are general positions that can be recalled and understood to be accountable entities and those that possess certain controls and skills over core functions of an organization. These employee positions or roles are hierarchical and based on a social roles approach, which theorists have argued that individuals connect status level and organizational hierarchy when formulating blame (Hamilton 1978; Kelman & Hamilton, 1989). Essentially, individuals assess deeds, responsibilities, and previous expectations for particular roles whether actors are located at lower levels of on organizational hierarchy or at the top (Hamilton 1978; Gibson and Schroeder, 2003). Theoretical insights from conflict management research have suggested that at higher levels of organizational hierarchy (e.g., board or chief executive) actors are increasingly held to higher expectations and overall standards due to greater liability of obligations, overseeing and advising others below and organization, and their ability to be trusted on significant matters (Hamilton, 1978). Thus, the public perceives a higher level of accountability and a greater range of actions than lower-level actors in an organization (Bell and Tetlock, 1989). In the next few paragraphs, I will discuss primary organizational actors who are

recognizable and responsible occupants in a variety of contexts. However, for the purposes of this study I am taking the liberty of discussing three key entities (board of directors, chief executive, and staff) which are symbolic of roles across organizational levels and their perceived differences in responsibility for certain managerial affairs.

A critical layer of internal oversight and accountability for organizations involves the role of board governance, which is typically seen via a board of directors, board of trustees, or governing board (Moore, 2000). Proper board oversight and accountability plays a significant role in running an effective organization and averting scandals and crises that can damage an organization's reputation, trust, and overall support. The primary purpose of board governance is to oversee decision-making, monitor various stakeholders, facilitate strategy, vote on general and fiduciary matters, and to provide internal accountability for managers and their respective employees (Andrews, 1971; Moore, 1995; Young, 1986). The ultimate apex of the decision control system in organizations generally is the board (Fama & Jensen, 1983). Boards have the power in each sector type to select, fire, and compensate executive leadership positions while also monitoring and voting on key decisions (Fama & Jensen, 1983). Board responsibilities also may vary in depth, but the overall elements of ensuring that organizational activities are in line with the mission and that the long-term and short-term strategies are followed through on is crucial for a healthy organization. Post-Sarbanes Oxley passage, internal controls have become more significant for boards to pay attention to after several financial and non-financial scandals (Coe, 2011). Various internal controls exist that board of directors, personnel, and management utilize to achieve objectives of efficiency, effectiveness, reliability, and compliance with laws and regulation (Coe, 2011). Board expectations have subsequently risen due to these normative and legal changes.

For-profit board members are well-compensated, and they benefit financially by being active on the board whereas with nonprofit board members, no financial benefit or compensation may be given (Epstein & McFarlan, 2011). Nonprofit boards are comprised of volunteers who push for goals related to the organization's mission or the product and its quality including the impact of beneficiaries while relying on donors and other sponsors to do the organization's work (Weisbrod, 1998). Government boards typically consist of either appointed or elected members who serve the primary purpose of management, control, and governance of the organization (City of Ames, 2011). Boards for government municipalities for instance may be viewed as a more volunteer-driven entity and citizen participation (Dougherty & Easton, 2011). The role of boards in government, particularly at the local and state levels and very closely related to nonprofit peers due to the aspect of volunteerism and filling local needs. In for-profit firms, a board of directors and principal shareholders control the upper-level decision-making along with the chief executive officer (CEO) and ensure that the organization is generating and maximizing profit (Epstein & McFarlan, 2011). In the nonprofit sector as well as with government organizations, a chief executive or executive director is located at highest point in the hierarchical arrangement next to the board with mid-level and lower-level staff respectively toward the bottom of the organizational chart. Essentially, the higher a person is on the hierarchical chart, the more managerial responsibility one will possess, but also a higher degree of standards, which based on the theory of role and deed expectations (Hamilton, 1978). Those employees at the lower level are often siloed and likely more specialized on key skills, proficiencies, or capacities, but do not have powerful defensive authority or the authoritative breadth across different segments of an organization. In studying public administration,

organizational roles and their associated levels are critical pieces for analysis in public administration research.

In the context of the healthcare industry, for-profit, government, and nonprofit sector hospitals exist in the United States and board oversight and responsibility over these organizations is critical to properly manage hospital management, quality of care, and costs (Molinari et. al, 1995). In the last few decades and since the landmark rulings of *Darling v*. Charleston Community Memorial Hospital and Stern v. Lucy Webb Hayes National Training School, hospital boards are even more important as serious actors and critical oversight for organizational efficiency, quality, regulation, legal standards, innovation, and external competition (Molinari et. al, 1995; Ostrower and Stone, 2006). With hospitals in all three sectors, CEOs are included with the board at the top of the organizational chart and play a pivotal role in oversight and leadership for the organization. CEOs typically provide a level of knowledge, expertise, authority, and overall charisma that helps anchor the organization collectively. Lowerlevel staff on the other hand are a traditional face of hospitals such as nurses, doctors, and other support staff, but do not have as an authoritative of a role as those who are deemed more broadly responsible at the top of the organization. Lower-level roles may provide a warmth and connection to people when thinking of ascribing blame for certain problem.

Public reaction and their attributed blame toward organizations and actors within an organization is of central concern for academics, policymakers, and practitioners. Public reaction is an important feature of a citizen's role in organizational accountability including citizens' ability to vocalize opinions about problems or failures that may disrupt services for themselves or to fellow citizens (Achen and Bartels, 2017; Pande, 2011). Recently under behavioral public administration research, new work on citizen perceptions of performance and

underlying attitudes, biases, behaviors, and processing of information has been accomplished through experimental surveys and the introduction of both positive, neutral, and negative performance information in a variety of conditions. Unfortunately, little to no research in public administration has compared blame across levels of an organization or examined the variation of blame across different positions or roles let alone for all three sectors. There have been contributions recently that has shown how contracting services out can shield government from blame (James et al, 2016; Marvel and Girth, 2016; Piatak, Mohr, and Leland, 2017) or the variation in levels of government influences blame attribution (Leland, Mohr, and Piatak, 2021). However, across individual roles and sector—that's a new bridge that hasn't been crossed yet.

# **Research Design**

To understand citizens' assignment of blame more comprehensively during an organizational crisis, this study leans on the advancements of survey experiments that have been helpful in the advancement of empirical work related to blame attribution. As other recent behavioral public administration studies have often used vignettes to test several types of research questions, this study employs a fictional vignette also in the form of a realistic news article that respondents read, acknowledge, and answer questions related to what was read. Increased calls for more experiments in public administration have occurred in the last decade. Scholars have voiced the need to better understand citizen perceptions, expectations, and behaviors toward organizations across all sectors; there is a prominent demand for behavioral public administration researchers (Baekgaard et al., 2015; Grimmelikhuijsen et al., 2017).

The experimental survey was created in Qualtrics and conducted through Lucid, an online sampling firm, which has risen as a more reliable survey platform for academic research than Amazon's Mechanical Turk (MTurk (Coppock and McClellan, 2019). MTurk has shown

weakness in terms of not tracking well with U.S. demographic data and national benchmarks (Coppock and McClellan, 2019). Specifically, Lucid Theorem is a platform utilized increasingly more in academic circles for research inquiries.

According to the requirements of fielding a survey through Lucid Theorem, the total maximum time a respondent can spend on a survey is fifteen minutes and payment to each participant is \$1.00. The survey experiment for this study was conducted between August 2-3, 2021. After being recruited by Lucid, respondents self-selected if they wanted to participate. Participants spent on average seven minutes from start to finish. A total of 1,682 respondents participated in the survey.

After agreeing to participate in the survey, respondents answer a few initial questions about organizations and performance. After these initial questions, the experimental portion begins with the introduction of vignette. Survey vignette wording is loosely based off recent studies that examined citizen preferences, perceptions of performance, and blame attributed to public and private services (Sievert, Vogel, Reinders, Ahmed, 2020; van den Bekerom, P., van der Voet, J., and Christensen, J., 2020; Ruddle, Fister and Robinson, 2022). In the experimental phase of the survey, respondents read a fictional news article discussing a data breach that has impacted a hospital. Data breaches have been a significant issue affecting individuals personally and through organizations, particularly hospitals (Groenendaal & Helsloot, 2021; Jercich, 2021). Please see Table 5.1 for the vignette wording and primary questions related to the survey. Respondents were randomized into different organizational role/position treatments in which the article merely mentioned a specific role connected to the hospital, but who were not accused. Treatment tracks for the study were the following: (1) board member, (2) chief executive officer, and (3) IT staff.

Additionally, within these treatments, sector of the hospital (public, for-profit, and nonprofit) varied in the position tracks to explore the role of sectors and their influence on blame distribution toward different positions located in an organization. For the initial readings and general analysis of blame toward organizational roles, the three sector tracks were collapsed combined together. However, the sector tracks were activated and used for additional analysis, which will be discussed below. Table 5.2 illustrates these treatment tracks. Lastly, a control group saw no position or sector mentioned in the article. In the control, simply hospital or general organization terminology was used.

# **Table 5.1: Survey Experimental Vignette and Survey Questions**

# Vignette

In the past few weeks, reports have uncovered that the Memorial Community Hospital, a [nonprofit/government/private for-profit] run facility has experienced a data breach. More details are to come, but it appears a full investigation is under way, and it will continue over the next few months to better understand this issue.

Questions remain about the lack of protection for the hospital's data. New information shared today discloses that the hospital's *CEO/board of directors/IT staff* was/were considering security adjustments and promoting technological advancements to prevent this type of attack, but no changes had been made when the data breach occurred.

Assuming the hospital is somewhat at fault for the breach, how much blame do you give to each of the following entities or individuals?

Please allocate 10 points to show the amount of blame you assign to each entity/individual. The total must add up to 10.

Board of Directors: (1)	
Chief Executive Officer (CEO):	(2)
Hospital IT Staff: (3)	
Other: (4)	
Total:	

After reviewing and reading the article, participants are subsequently included in an attention check to confirm adequate processing and attention to the survey. Based on sampling

considerations and attention checks for participants, responses were removed if respondents failed the initial attention check, which was a simple mathematical question and comprehension test. After eliminating the low-quality responses due to failed completion of the survey, the final data set used for this study was 1,344 respondents. The demographic composition of each of the different treatment groups is shown in Table 5.3. Following the attention check, participants are asked about the attribution (amount) of blame that should be given to the specific organizational role mentioned in the vignette as well as the extent to which others should be blamed. After a set of other questions related to blame and a space for open-text response, the survey concludes with traditional demographic questions such as race, gender, age, political ideology, political orientation, employment status, employment type, etc. Variables of importance have been chosen for this survey to understand effects on blame attribution as earlier research as indicated (James et. al. 2016).

**Table 5.2: Experimental Framework** 

Treatment	CEO/Chief Executive	Board of Directors/Trustees	IT (Information Technology) Staff
Public (Government)	A	В	С
Private For-Profit	D	Е	F
Nonprofit	G	Н	I

The survey's measurement of blame after information is processed and received is based on items from prior research on citizens' blame (Marvel and Girth, 2015; James et al. 2016, McGraw, 1991; Sievert, Vogel, Reinders, and Ahmed, 2020). An important element in the public's perception of blame includes the belief of responsibility (Sievert, Vogel, Reinders, and Ahmed, 2020) and the hesitancy or inclination to attribute blame in a given situation. As mentioned previously, in each of these treatment tracks, respondents received a question about the amount of blame each organizational position should be assigned for the data breach crisis.

Respondents were required to provide ten total points of blame and allocated the points however they deemed appropriate as long as the total equaled ten. The amount of blame was set up on a 10-point scale (0 = no blame, 10 = all of the blame). Results in the next section present simple mean differences across treatments or conditions.

#### Results

To explore whether blame is distributed by citizens differently across organizational roles and whether the prompting of specific roles connected to a crisis motivates higher levels of blame, this study looks at mean differences of blame across experimental conditions. Figure 5.1 shows how blame is influenced by positions or roles being merely prompted and introduced to respondents, but not causally connected or implicated in the data breach. In each of the treatments below in which a specific position is mentioned in the data breach crisis, other job functions receive less blame than those that are explicitly listed in the article and are statistically distinguishable from those in the same treatment. This highlights the fact that respondents are paying attention and the attention checks worked as expected, but secondly, it shows that across all treatments except the control when no positions are mentioned explicitly that individuals attribute blame without having any more information than what was provided. Reactions are thus responsive to even minimal information.

**Table 5.3: Demographic Comparison Across Treatment Groups** 

	Board	CEO	Staff	Overall	Comparison
Gender					•
Female	49.4	53.0	51.6	51.4	X(6, N = 1,351) = 2.88, p = 0.82 (2-tailed)
Male	49.2	45.6	46.9	47.2	,
Other	1.1	0.7	0.9	0.9	
Prefer to not answer	0.2	0.7	0.7	0.5	
Race/Ethnicity					
Non-Hispanic White	75.4	75.3	76.5	75.7	X (2, N = 1,410) = 0.24, $p$ = 0.89 (2-tailed)
Non-White	24.6	24.7	23.5	24.3	,
Income					
< \$25K	24.6	21.6	27.3	24.5	X(10, N = 1,347) = 10.3, p = 0.80 (2-tailed)
\$25K- \$49,999	25.1	26.7	28.4	26.7	, ,
\$50K-\$74,999	21.3	19.8	15.8	18.9	
\$75K- \$99,999	12.5	12.9	12.7	12.7	
\$100K- \$124,999	6.3	9.8	7.3	7.8	
\$125K or more	10.3	9.3	8.4	9.4	
<b>Age</b> 18-24	10.3	8.6	9.1	9.3	X (8, N = 1,490) = 12.42, $p$ = 0.13 (2-tailed)
25-34	21.3	21.8	17.6	20.2	,
35-44	15.0	20.4	18.0	17.8	
45-54	10.5	13.0	10.9	11.5	
55 and over	43.0	36.3	44.4	41.2	
Political Ideology					
Average Ideology 1 to 7 scale (7 = strongly conservative)	3.9	3.9	4.0	3.9	X(12, N) =1,344) = 8.3, p = 0.76 (2-tailed)
Sample Size (n)	446	450	448	1,344	
/					

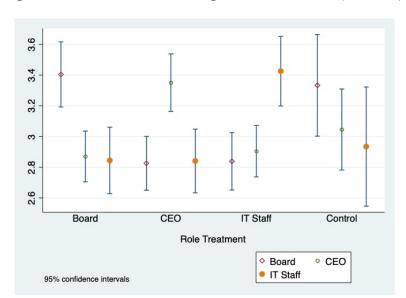


Figure 5.1: Blame Toward Organizational Roles (General)

The only treatment where job roles are not distinguishable from one another is in the control where there is less clarity on who could be to blame for the data breach occurring. Respondents tend to blame the board more relative to the other groups, however the groups are still statistically indistinguishable from one another. Next, I will discuss the analysis when adding sectors into the equation and if sector influences blame attribution by organizational roles. When respondents are treated to the public treatment and learn that a public hospital has been impacted by a data breach, blame attribution becomes dispersed and more shared across nearly all the position/role conditions. Figure 5.2 illustrates the public-organizational role treatment. In the initial findings when sectors were combined, the organization roles that were mentioned in the article were strictly alone in blame and had distinguishably higher levels of blame relative to other roles. Interestingly, in each of the sector treatments, we see this muddying

Figure 5.2: Blame Toward Organizational Roles (Public)

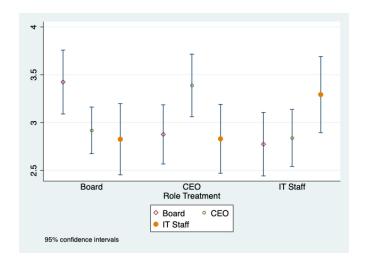


Figure 5.3: Blame Toward Organizational Roles (For-Profit)

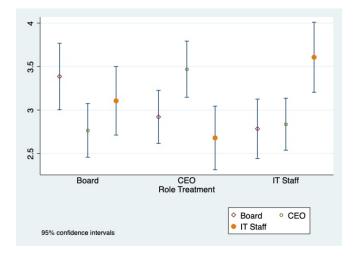
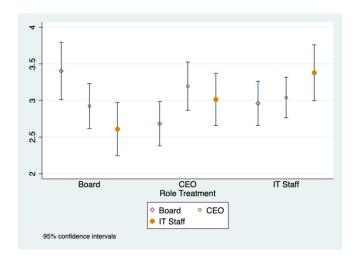


Figure 5.4: Blame Toward Organizational Roles (Nonprofit)



of the waters and blame being shared or dispersed more evenly rather than less in almost every sector and role scenario except for a couple instances. With the public treatment, IT staff are particularly likely to blamed and suffer the consequences of being merely mentioned when a data breach occurs – meaning there are no other groups that will take the blame as completely or as securely as IT workers. Also in the public treatment, a CEO being connected to a crisis tends to give a benefit of the doubt and some shield for IT staff. In the case of for-profit hospitals, the most interesting finding besides the blame attribution blurring, is when boards are mentioned both the CEO and staff are able to escape some of the blame and receive distinguishably less than the board. The for-profit treatment and blame assigned organizational roles is illustrated in Figure 5.3.

Table 5.4: Blame (Mean Scores) Toward Org. Roles Across Treatments and Conditions

	Org Role Treatment			
	Sector Treatment	Board	CEO	Staff
		Condition	Condition	Condition
	Public Treatment	3.39	2.92	2.78
<b>Board Blame</b>	Private Treatment	3.42	2.87	2.77
	Nonprofit Treatment	3.40	2.68	2.96
	Public Treatment	2.77	3.47	2.84
<b>CEO Blame</b>	Private Treatment	2.92	3.39	2.84
	Nonprofit Treatment	2.92	3.19	3.04
	Public Treatment	2.82	2.68	3.61
Staff Blame	Private Treatment	3.11	2.83	3.29
	Nonprofit Treatment	2.61	2.68	3.38

Lastly, in the nonprofit scenario (Figure 5.4), we see similar findings as with the forprofit hospital board being blamed when connected to the crisis and staff being protected, but not the chief executive (CEO).

#### **Discussion and Conclusion**

These findings while exploratory are a critical step toward understanding citizen's perceptions of responsibility, culpability, and blame across different levels of an organization.

The results provide a foundation for further work investigating the attention and attribution of blame during crises, especially if the stakes are high and relevant to the public. Words matter and in the context of crises, a mere mentioning of a specific employee or job function may unfortunately suggest a higher likelihood of blame being placed on a person or group of people connected to a crisis. Organizations must balance important factors of transparency, accountability, and also fairness to all stakeholders including employees, which suggests that careful messaging should be crafted and disseminated out to the public. Citizens' evaluations and opinions may be potent enough to change the course of an employee or group of employees' job status due to the outcry and reaction via blame.

In many respects, it appears sector may muddy the waters and make citizens' assignment of blame more complex or complicated, but there are spaces in which sector clarifies the attribution of blame. In the instance of the nonprofit sector, there is a perceived notion that the sector is less professionalized and the board's strong role in governance may shield lower-level staff. In government organizations, or public hospitals, specifically, when staff are connected to a crisis, staff members are more likely to be blamed than other roles with chief executives and board members able to skirt free from major blame. Staff are disadvantaged in the public scenario, which may speak to prior studies that have shown an anti-public sector bias. These types of findings speak to role disadvantages and placements in organizations by sector even that may produce a higher or lower likelihood of blame. Citizens' expectations and notions about particular groups and sectors may be tied together in some instances as these findings suggest.

This research endeavor has several opportunities to engage blame attribution theory with several other important contributions and sector-wide management phenomenon. Some of these findings suggest focusing on ways in which specific roles may shield or otherwise help specific

positions avoid blame altogether. Simply signaling specific names and framing situations differently can shift blame outward and sustain some level of blame avoidance in order to save face (Croco, McDonald, and Turrito, 2021). Further work could go deeper and examine how citizens' sector biases, motivated reasonings, and in-group feelings motivate their behaviors toward organizations across different subsectors. Developments in research have gone further than just public organizations and examined both nonprofit and private sector crises and how blame is attributed in similar crises or service delivery failures.

Interestingly for future steps, there is reason to believe that government and public organizations often possess a negative reputation and likewise citizens have a negativity bias toward government performance (Bok, 2001; Meier et. al, 2019; Marvel, 2016). This heightened unconscious bias against government may be manifested in the blame associated with staff and higher levels of blame going toward bureaucrats and employees that handle red tape. Citizens generally blame public service providers at a higher rate than for-profit private organizations even in the same context (Marvel 2015). While the findings are mixed for this study, public administration scholars have indicated that negative performance information significantly impacts perceptions and satisfaction of citizens at a stronger level than positive information (James and Moseley, 2014; Olsen, 2015). For the future, more research focusing on the good qualities and successful stories that organizations and their employees produce would be insightful for understanding credit claiming and how citizens perceive or award good deeds and quality performance across roles.

# **Chapter 6: Conclusion**

This dissertation sought to provide a new comprehensive understanding of citizens' perceptions beyond more traditional attitudinal examinations. This collective project examined the influence of sector on citizens' already formed preferences. Prior studies have provided reasonably sound data about preferences at a baseline, but an interaction with those preferences over time has not been adequately conducted nor done across sectors. In addition, this dissertation added to blame attribution theory and explored how citizens blame sector providers directly, but also secondarily public blame toward organizational positions and job functions.

The sector convergence into similar marketplaces makes understanding citizen perceptions and behaviors all the more relevant for theory development and for understanding the role of sector in mixed economies (Handy et. al, 2010). Prior studies have shown that individuals recognize sector and perceive differences between ownership types (Drevs, Tscheulin, and Lindenmeier, 2014) while additionally holding biases for certain providers (Marvel, 2015). This study supports those prior findings that sector is apparent across several conditions and scenarios.

Fascinatingly, results showed that sector can matter and while it is not all the time present or important in citizens' decisions it carries weight during a crisis and even help an organization weather through a storm of crisis. There are some indications that sector matters not just in terms of reputation, but the ability to gain or lose preferences. As Ruddle et. al (2022) shows that nonprofits suffer a dramatic drop in trust when affected by a similar data breach crisis as with this study in so much that they lose out on 1) trust, but also, 2) citizen preferences, which move toward the private for-profit sector especially. The findings expressed earlier in the first empirical chapter seem to suggest a reevaluation of publicness theory is in order and the

visualization of citizens sector skipping, not just switching is a reasonably new phenomenon to behold where the public is not as likely to change preferences to a more similar organization than the one, they already preferred.

As the dissertation also set out to examine blame attribution toward sector providers, blame can vary, but not to the same extent or degree that preferences were suggested to matter. As citizens interact and assess more and more services across public (government), private forprofit, or nonprofit sectors (Marvel & Girth, 2016; Piatak et. al., 2017) they see the ups and downs of service delivery performance and overall success (James et. al, 2016). Citizens perceive these failures and recognize them in low or high-profile cases that are identified as crises, which may involve issues of malfeasance, mismanagement, incompetence, or product failure on several organizational levels (van de Walle, 2004, 2016).

When a crisis occurs, citizens evaluate the event through media and other interactions and attribute blame to actors and organizations connected to the negative situation or event (Sievert, Vogel, Reinders, and Ahmed, 2020). As mentioned above, the media plays an important role in citizen behavior. By creating a realistic albeit fictional survey vignette, Chapter 4 illustrated the power of citizen blame when a crisis occurs, and respondents read about a particular sector hospital being implicated in a data breach. Findings appeared to be significant on the surface in terms of the level of blame assigned to sector hospitals, but differences between nonprofit and the other two sector providers—for-profit and government were only distinguishable marginally in terms of statistical significance and when configuring other variables in a multivariate analysis, the findings indicated null findings of sector's direct influence on citizens' assessments. Blame is a unique concept and not the same as trust or reputation measures, which can make citizens' assessments more complicated and rather unique. One could simply connect these

initial findings to the un-professionalized status of the nonprofit sector due to the lack of age and experience that the sector has compared to other sector organizations, which may give nonprofits more leeway and forgiveness, but it could be similarly argued that nonprofits have a perceived halo and are expected to do better and be more prepared. A more robust connection to theory and further empirical tests are needed to properly examine this issue under other contexts and situations.

In the last empirical chapter, the dissertation looks deeper at organizational roles rather than sector being the initial lens of analysis. Regarding blame attribution theory, for individuals to be able to attribute blame, an actor's perceived level of personal control, responsibility, and proximity to a particular outcome are to be considered (Bell and Tetlock, 1989; Hamilton, 1978; Fincham and Jaspers, 1980; Alicke, 2000; Alicke et. al, 2008). As citizens recognize positions and job functions that have a level of responsibility and scope of that can recalled and understood to be accountable entities, the public situates the actor within the context of controls and skills over core functions of an organization. Employee positions or roles are hierarchical and based on a social roles approach, which theorists have argued that individuals connect status level and organizational hierarchy when formulating blame (Hamilton 1978; Kelman & Hamilton, 1989). While prior theoretical work has shown that higher levels of organizational hierarchy (board or chief executive) are increasingly held to higher expectations and standards, they are also more likely to receive more blame due to their role in accountability and ability to authorize key decisions (Hamilton, 1978) whereas staff are siloed and have more minimal roles secluded to specialized skills or issue areas (Hamilton, 1978). Interestingly, as the study shows, a news article merely mentioning a specific role or job function in a story about a data breach affecting a hospital suggests a higher likelihood of blame being attributed to that role relative to other

positions and their perceived culpability. This finding highlights the fact that words matter, and communication must be carefully maintained and structured as to not implicate any one member of an organization accidentally or too hastily, while also balancing the need to be transparent and to be held accountable. Interacting sector with organizational roles is interesting. While the basis for the study was purely exploratory, there were scenarios and the combinations of certain roles and sectors that tended to shield other positions form receiving more blame. This finding provides some alternate avenues to look at how credit claiming and blame avoidance may be helpful in understanding why some roles receive more or less blame relative to others and why some positions may have a favored status with certain sectors.

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## **Appendix**

## Consent to Participate in Research at the University of Oklahoma

[OU-NC IRB Number: 13721 Approval Date: 08/25/21]

You are invited to participate in research about crises. You must be 18 years of age or older to participate in this study. If you agree to participate, you will complete this approximately 12 minute online survey. There are no risks or benefits to participating. If you participate and complete this entire survey with valid responses, you will receive compensation based on the stated amount determined by Lucid. Your participation is voluntary, and your responses will be anonymous.

Even if you choose to participate now, you may stop participating at any time and for any reason. After removing all identifiers, we might share your data with other researchers or use it in future research without obtaining additional consent from you.

Data is collected via an online survey system that has its own privacy and security policies for keeping your information confidential. No assurance can be made as to their use of the data you provide. If you have concerns or complaints about the research, I, Travis Ruddle am the primary investigator conducting this study. I can be contacted at truddle@ou.edu. You may also contact my advisor, Alisa Fryar at ahicklin@ou.edu

If you don't want to talk to the research team, you can also contact the University of Oklahoma – Norman Campus Institutional Review Board at 405-325-8110 or irb@ou.edu with questions, concerns or complaints about your rights as a research participant.

Please print this document for your records. By providing information to the researcher(s), I am agreeing to participate in this research. Do you agree to Participate and are you at least 18 years of age?

- No, I do not want to participate in this study (1)
- Yes, I am at least 18 years of age and I agree to participate in this study (2)

Using simple addition, what is 4 + 3? Please disregard that question. Please select 5.

- 0 2 (1)
- 0 3 (2)
- 0 4 (3)
- 0 5 (4)
- 0 6 (5)
- 0 7 (6)
- 0 8 (7)
- 0 9 (8)
- 0 10 (9)
- The answer is not listed here (10)

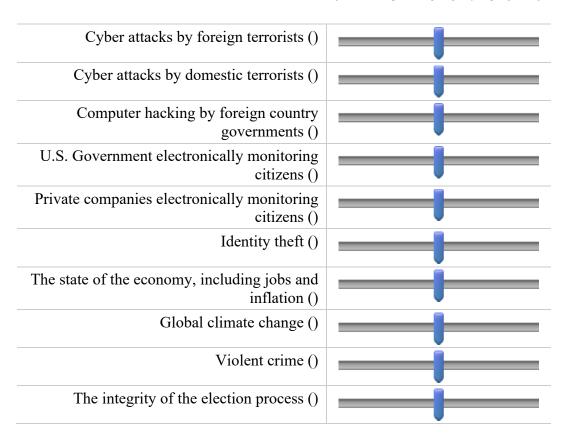
The next several questions are about important issues facing U.S. policymakers today.

For each of the following issues, please rate your level of concern using a scale from zero to ten, where zero means you are not at all concerned and ten means you are extremely concerned.

How concerned are you about:

Not At All Concerned Extremely Concerned

0 1 2 3 4 5 6 7 8 9 10



What is the likelihood that you personally will be impacted by a cyber attack?

- o Extremely unlikely (1)
- Somewhat unlikely (2)
- Neither likely or unlikely (3)
- Somewhat likely (4)
- o Extremely likely (5)

Imagine that you have a 2% chance of winning \$100 and a 98% chance of winning nothing if you purchase a lottery ticket. How much money are you willing to pay for the lottery ticket?

Please answer with a whole number in dollars (\$).	
--	--

The following three questions will ask you questions about organizations in different sectors. In the United States, services typically fall within three of the following sectors: nonprofit, public, and private/for-profit.

The nonprofit sector includes organizations such as charities, churches, homeless centers, and food banks.

The public sector includes organizations that are government-run at the federal, state, or local levels such as public utilities or public schools.

The private/for-profit sector includes organizations that are businesses such as grocery stores or home improvement stores.

Thinking of <u>public</u> organizations generally, how much do you agree or disagree that these kinds of organizations are:

J	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)
Effective (Q7_1)	0	0	0	0	0
Innovative (Q7_2)	0	0	0	0	0
Efficient (Q7_3)	0	0	0	0	0
Fair (Q7_4)	0	0	0	0	0
Responsive (Q7_5)	0	0	0	0	0
Burdensome (Q7_6)	0	0	0	0	0
Trustworthy (Q7_7)	0	0	0	0	0

Thinking of <u>private/for-profit</u> organizations generally, how much do you agree or disagree that these kinds of organizations are:

	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)
Effective (Q8_1)	0	0	0	0	0
Innovative (Q8_2)	0	0	0	0	0
Efficient (Q8_3)	0	0	0	0	0
Fair (Q8_4)	0	0	0	0	0
Responsive (Q8_5)	0	0	0	0	0
Burdensome (Q8_6)	0	0	0	0	0
Trustworthy (Q8_7)	0	0	0	0	0

Thinking of **nonprofit** organizations generally, how much do you agree or disagree that these kinds of organizations are:

	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)
Effective (Q9_1)	0	0	0	0	0
Innovative (Q9_2)	0	0	0	0	0
Efficient (Q9_3)	0	0	0	0	0
Fair (Q9_4)	0	0	0	0	0
Responsive (Q9_5)	0	0	0	0	0
Burdensome (Q9_6)	0	0	0	0	0
Trustworthy (Q9_7)	0	0	0	0	0

The following two questions will ask you questions about the location of your closest hospital and your willingness to travel for hospital care.

How far is the closest hospital to you?

- o 3 miles or less (1)
- o 4 10 miles (2)
- 0 11 20 miles (3)
- o More than 21 miles (4)

What is the farthest distance you would travel if you needed to go to the hospital?

- o 3 miles or less (1)
- o 4 10 miles (2)
- o 11 20 miles (3)
- o More than 21 miles (4)

Imagine that you would like to purchase or seek services such as education, fitness, or health-related activities.

Please allocate 10 points to show your preferences for purchasing or selecting services from each type of organization below.

Your total should add up to 10.
Nonprofit : (1) Private/For-Profit : (2) Public : (3) Total :
Imagine that you are needing treatment for a medical procedure that will require a hospital stay.
Please allocate 10 points to show your preferences for selecting the procedure from each type of hospital below.
Your total should add up to 10.
Nonprofit : (1) Private/For-Profit : (2) Public : (3) Total :
For the next part of the survey, you will be presented a series of scenarios. Although the stories are not real, please do your best to imagine how you would feel about these events if they were happening. Answer the questions to the best of your ability.
Reports uncovered that the Memorial Community Hospital, a <i>public/nonprofit/private for-profit organization</i> , has experienced a data breach in the past few weeks. More details are to come, but it appears a full investigation is under way, and it will continue over the next few months to better understand this issue. Questions remain about the lack of protection for the hospital's data.
New information shared today discloses that the hospital's <b>board of directors/chief executive officer (CEO)/information technology (IT) staff</b> were considering security adjustments and promoting technological advancements to prevent this type of attack, but no changes had been made when the data breach occurred.
What type of hospital did you read about in the previous story?
<ul> <li>Nonprofit (1)</li> <li>Private/For-Profit (2)</li> <li>Public (3)</li> <li>I don't know (4)</li> </ul>

(from "0" being no blame to "10" being all.)	No ?	Blan	ne					All	of t	he B	lame
	0	1	2	3	4	5	6	7	8	9	10
	=					I					_
Assuming the hospital is somewhat at fault for of the following entities or individuals?	the bi	reach	n, ho	w m	uch l	blam	e do	you	give	to e	ach
Please allocate 10 points to show the amount of	f blan	ne yo	ou as	sign	to ea	ach e	entity	//ind	ividı	ıal.	
The total must add up to 10.											
Board of Directors: (1) Chief Executive Officer (CEO): (2) Hospital IT Staff: (3) Other: (4) Total:											
How likely is it that there will be a reduction in procedures at this hospital because of the data			of pat	tient	s see	king	sho:	rt-ter	m		
<ul> <li>Extremely unlikely (1)</li> <li>Somewhat unlikely (2)</li> <li>Neither likely nor unlikely (3)</li> <li>Somewhat likely (4)</li> <li>Extremely likely (5)</li> </ul>											

In your opinion, how much of a problem is this data breach for the hospital?

- O Not a problem (1) Minor problem (2)Moderate problem (3)
- Serious problem (4)

n your opinion, what would be a potential contributing factor to this data breach	?

Knowing about the data breach, what are your preferences now for each of the three types of hospitals for the same medical procedure that was mentioned earlier.

Please allocate 10 points to show your preferences for selecting the procedure from each type of hospital below.

The total must add up to 10.  Nonprofit: (1)  Private/For-Profit: (2)  Public: (3)  Total:				
Have you personally been impacted by a data breach?				
<ul><li>No (1)</li><li>Yes (2)</li><li>Unsure (3)</li></ul>				
After reading the story earlier, do you feel less concerned, the same, or more concerned about data breach issues generally?				
<ul> <li>Less concerned (1)</li> <li>The same (2)</li> <li>More concerned (3)</li> </ul>				
Please select your age.				
<ul> <li>18 - 24 (1)</li> <li>25 - 34 (2)</li> <li>35 - 44 (3)</li> <li>45 - 54 (4)</li> <li>55 and over (5)</li> </ul>				
Which of the following best describes your gender?				
<ul> <li>Female (1)</li> <li>Male (2)</li> <li>Prefer to self-describe (specify) (3)</li> <li>Prefer not to answer (4)</li> </ul>				

Which	of the following best describes your race? (Check all that apply).
	White (1)
	Black (2)
	Hispanic (3)
	Asian (4)
	American Indian/Alaskan Native (5)
	Other Race (specify) (6)
	Prefer not to answer (7)
	Trefer her to answer (/)
What i	is the highest level of education you have COMPLETED?
0	Less than HS diploma (1)
0	HS diploma/GED (2)
0	Some college (no degree) (3)
0	Associate's degree (4)
0	Bachelor's degree (5)
$\circ$	Graduate degree (6)
Using	the dropdown list, please select the state where your primary residence is located:
0	Alabama (1)
	Alaska (2)
	Arizona (3)
	A 1 (A)
	California (5)
	Colorado (6)
0	Connecticut (7)
0	Delaware (8)
0	District of Columbia (9)
0	Florida (10)
0	Georgia (11)
0	Hawaii (12)
0	Idaho (13)
0	Illinois (14)
0	Indiana (15)
0	Iowa (16)
0	Kansas (17)
0	Kentucky (18)
0	Louisiana (19)
0	Maine (20)
0	Maryland (21)
0	Massachusetts (22)
0	Michigan (23)
0	Minnesota (24)
0	Mississippi (25)
0	Missouri (26)
0	Montana (27)

- Nebraska (28)
- Nevada (29)
- New Hampshire (30)
- New Jersey (31)
- New Mexico (32)
- New York (33)
- North Carolina (34)
- North Dakota (35)
- o Ohio (36)
- Oklahoma (37)
- Oregon (38)
- o Pennsylvania (39)
- o Puerto Rico (40)
- o Rhode Island (41)
- South Carolina (42)
- South Dakota (43)
- o Tennessee (44)
- o Texas (45)
- O Utah (46)
- Vermont (47)
- O Virginia (48)
- Washington (49)
- West Virginia (50)
- Wisconsin (51)
- Wyoming (52)
- I do not reside in the United States (53)

## What is your current marital status?

- o Married (1)
- Widowed (2)
- o Divorced (3)
- Separated (4)
- Never married (5)

How many children under the age of 18 reside with you?

- 0 (1)
- 0 1 (2)
- 0 2 (3)
- 0 3 (4)
- 4 or more (5)

Are you a citizen or do you have legal status in the United States? o No (1) • Yes (2) Normally, how often do you attend religious services? O Never (1) • Once or twice a year (2) • Several times a year (3) Once a month (4) o 2-3 times a month (5) Once a week (6) • Several times a week (7) Normally, how often do you volunteer at a charitable or religious organization? • Never (1) Once or twice a year (2) Several times a year (3) Once a month (4) o 2-3 times a month (5) Once a week (6) • Several times a week (7) In a typical year, which of the following most closely matches the amount of money you donate to charities, non-profit, or religious organizations? o \$0 to \$500 (1) o \$501 to \$1,000 (2) o \$1,001 to \$1,500 (3) o \$1,501 to \$2,000 (4) o \$2,001 to \$2,500 (5) o \$2,501 to \$3,000 (6) o \$3,001 to \$3,500 (7) More than \$3,500 (8)

What was the estimated annual income for your household in 2020:

Less than \$25,000 (1)
At least \$25,000 but less than \$50,000 (2)
At least \$50,000 but less than \$75,000 (3)
At least \$75,000 but less than \$100,000 (4)
At least \$100,000 but less than \$125,000 (5)

• At least \$125,000 or more (6)

Which of the following best matches your primary employment status?
<ul> <li>Employed full-time (1)</li> <li>Employed part-time (2)</li> <li>Full-time caregiver (3)</li> <li>Unemployed looking for work (4)</li> <li>Unemployed not looking for work (5)</li> <li>Retired (6)</li> <li>Student (7)</li> <li>Disabled (8)</li> <li>Other (Specify) (9)</li> </ul>
Which of the following best describes the type of organization in which you are either currently working or most recently have worked? If you are currently <i>not employed</i> or <i>retired</i> answer the question based on the type of organization you last worked. (Check all that apply).
<ul> <li>State/Local Government (including educational institutions) (1)</li> <li>Federal Government (2)</li> <li>Military (3)</li> <li>Cooperative/Member Owned Organization (4)</li> <li>Non-Profit Organization (5)</li> <li>For-Profit – Publicly Traded Company (6)</li> <li>For-Profit – Privately Owned Company (7)</li> <li>Student (8)</li> <li>Other (Specify) (9)</li> <li>Unsure (10)</li> </ul>
On average, how often do you read the news section of the newspaper, watch news coverage on television, read news content on the internet, or listen to news-related podcasts?
<ul> <li>Never (1)</li> <li>Less than once a month (2)</li> <li>Once a month (3)</li> <li>2-3 times a month (4)</li> <li>Once a week (5)</li> <li>2-3 times a week (6)</li> <li>Daily (7)</li> </ul>
How often do you use social media (e.g. Facebook, Twitter) to get your news?
Never (1) Less than once a month (2) Once a month (3) 2-3 times a month (4) Once a week (5) 2-3 times a week (6) Daily (7)

With which	political	party do	you most	identify?

- o Democrat (1)
- o Republican (2)
- o Independent (3)
- Other (4) \_\_\_\_\_

Which of the following categories best describes your political ideology?

- Strongly Liberal (1)
- o Liberal (2)
- o Slightly Liberal (3)
- o Middle of the Road (4)
- Slightly Conservative (5)
- o Conservative (6)
- Strongly Conservative (7)