

# Public and private companies. The key differences

As an employee, have you ever wondered what the main differences between working in the public and private sectors are? Well, the private sector is composed of organisations that are privately owned, whereas the public sector is made up of organisations that are government operated. But we dug a little deeper to find out what it really means to be working in each.

- **Size.** This varies across both sectors, but usually an organisation's size will reflect their objectives, which are often about achieving the best outcomes at the most cost-effective rate.

The public sector will be as large or as small as it needs to be to deliver the services it's mandated to provide. Cost-effectiveness, while still important, is less paramount.

- **How employees are expected to operate.** Employees are expected to operate within the guidelines established by their company. If it's a publically listed company, employees are ultimately responsible to the shareholders.

Employees are meant to operate in accordance with the government's guidelines. There are often strict rules and procedures that have to be adhered to since their salary is paid by the taxpayer.

- **Mission statement and values.** This varies hugely across the private sector: a law firm will obviously have a very different mission statement to a not-for-profit or a retail business.

Mission statements in the public sector often focus on upholding the values of the government while delivering the best services possible for the people.

- **Responsibility to shareholders.** Publicly-listed companies are ultimately responsible to shareholders. They usually seek to maximise profit so that the

shareholders investment in the company proves successful.

The public sector is not, by definition, a publically-listed company.

- **Responsibility to government.** The private sector is required to operate within the law.

The public sector is government controlled and operated, so it's the government that outlines their objectives and holds them to account.

- **Industries common to each.** Increasingly, the private sector operates across almost [all industries](#). It's widely thought that the private sector is more efficient because it relies on competition; therefore, government's often outsource jobs to the private sector that they would've once done.

The public sector doesn't need to compete for consumers money, so it often includes industries that are not profit-driven: the fire and police departments, for example. Some industries, like teaching and healthcare, are made up of a mix of public and private employees.

There are advantages and disadvantages to working in both the public and private sector. What's important is that you find a place that's the right fit for you. To help you make this decision, [SEEK company reviews](#) can provide you with just the information you need - it's real reviews by real employees.

**Read about private and public companies on [SEEK company reviews](#) today!**

There are advantages and disadvantages to working in both the public and private sector. What's important is that you find a place that's the right fit for you. To help you make this decision, [SEEK company reviews](#) can provide you with just the information you need - it's real reviews by real employees.