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Chapter 1

Introducing a managerial perspective on cutback management
CHAPTER 1 - INTRODUCING A MANAGERIAL PERSPECTIVE ON CUTBACK MANAGEMENT

March 22nd, 2013 was an important day for prison directors in the Netherlands. On this day, prison directors throughout the country were expecting an important call from the Custodial Institutions Agency (DJI), the executive agency in charge of the penitentiary system. The call announced to prison directors whether their prison would remain open or would have to close because of substantial cutbacks imposed on this sector. Prison directors were briefed that, immediately following the call, they had to hold a meeting with all personnel to announce what the political principals had decided for their prison. Prison directors having to deliver bad news were confronted with angry but most of all with insecure and sad employees to whom they had to admit that they had not been involved in any of the decision-making regarding this matter. Prison directors, in this sense, were stuck in the middle between different actors with different interests. Personnel urged them to fight the decisions to ensure that they could keep their jobs. Political actors demanded that the cutbacks be realised, and without any loss of service quality. External actors, such as mayors and labour unions, voiced their concerns on the effects of cutbacks on regional employment, personnel safety and safety for society as a whole. Moreover, there were other public managers, working at the Ministry of Safety and Justice or at the DJI agency, who discussed with prison directors how to implement cutbacks. At the intersection of all these different actors, with their different objectives, prison directors had to find ways to manage the cutbacks.

1.1 THE IMPORTANT ROLE OF PUBLIC MANAGERS DURING CUTBACKS

Prison directors are far from the only group of public managers in recent years who have had to manage cutbacks targeted at their organisation, just as the Netherlands was far from the only country to impose cutbacks within government (Kickert and Randma-Liiv, 2015). 2008 marked the start of the biggest financial crisis since the 1930s (Armingeon, 2012). A banking crisis, followed by an economic crisis, left governments around the world facing decreasing tax revenues, rising public spending and increasing public debt (Kickert, 2015). As a result, public managers in many different countries, sectors and positions were confronted with cutbacks targeted at their organisations. Further, even before the large cutbacks as a consequence of the financial crisis, many public organisations had been being confronted with cutbacks in their operational expenditure for decades. While cutbacks are an important empirical phenomenon, to date public management research has only paid limited attention to the topic. In particular, managerial behaviour within cutback management processes has been overlooked by scholars for years (Schmidt, Groeneveld, and Van de Walle, 2017).
Especially when cutbacks are targeted at operational expenditure, i.e., the costs of running the government or an organisation, the role of public managers is highly important. Public managers occupy a pivotal position within public organisations at the centre of networks of information, resource flows and personal loyalty (Rainey, 2009). As illustrated in the introductory story, public managers find themselves at the intersection of both internal and external actors and must therefore interact with many different stakeholders, including their subordinates, political superiors, managerial counterparts and external actors, when managing cutbacks. As the demands for high-quality public services are ever-present, and public organisations cannot easily choose to stop their services (Andrews, Boyne, and Walker, 2012), strategies to implement cutbacks in operational expenditure often involve large-scale organisational changes that are likely to impact public employees (Esteve, Schuster, Albareda, and Losada, 2017) organisational structures (Van der Voet and Van de Walle, 2018) and ways of working. At the same time, money to lubricate such changes is generally lacking when facing financial constraints (Pollitt, 2010) and the motivation to adapt is generally lower when changes are motivated by budgetary pressure (Wright, Christensen, and Isett, 2013). On top of this, cutbacks have the potential to affect employee wellbeing (Conway, Kiefer, Hartley, and Briner, 2014; Kiefer, Hartley, Conway, and Briner, 2015). In these difficult circumstances, public managers are the ones responsible for managing cutbacks.

While the role of public managers in managing cutbacks is thus highly relevant, recent research on cutbacks has almost entirely focussed on the macro-level, with publications on fiscal consolidation, welfare state reforms and government decision-making (e.g. Di Mascio and Natalini, 2015; Di Mascio, Galli, Natalini, Ongaro, and Stolfi, 2017; Kickert, 2015; Kickert and Randma-Liiv, 2015; Ladi, 2013; Randma-Liiv and Kickert, 2017). Research on cutback management that focuses on the behaviour of public managers at the organisational level is still lacking (Schmidt et al., 2017). In response, the main aim of this dissertation is to explore and understand managerial behaviour during cutbacks and, in this sense, contribute to the literature on cutback management. The main research question is therefore formulated as:

“How do public managers in Dutch government manage cutbacks targeted at their organisation?

To increase our understanding of managerial behaviour during cutbacks, we argue that we need to focus on the various actors that public managers interact with during cutback management. We do so by taking different theoretical perspectives that shed some light on those different interfaces to empirically analyse managerial behaviour. We thus apply different public management theories to instances where public managers have been confronted with cutbacks targeted at their organisation. In this way, we add to our understanding of managerial behaviour during cutbacks which, as explained earlier, has to date been mostly concerned with cutback management issues on the macro-level. Theory applications usually have the rather narrow ambition of applying theory to an empirical case or phenomenon to explain what is going on and to interpret the case in light of the
theory. Given that we know relatively little about cutback management, such an approach can be an important starting point in meeting our exploratory aims (Toshkov, 2017).

At the same time, answering the research question may also help to specify and elaborate on the theories that will be applied in this dissertation (Ashworth, McDermott, and Currie, 2018) by providing insight into the conditions and mechanisms through which cutbacks shape managerial behaviour. By trying to specify and elaborate on these theoretical perspectives for the specific context of cutbacks, we aim to contribute to extending the theoretical perspectives that are applied in this dissertation. While managerial behaviour has been studied in relationship to organisational change (Van der Voet, Kuipers, and Groeneveld, 2015), performance management (Andrews and Boyne, 2010; Favero, Andersen, Meier, O’Toole, and Winter, 2018), environmental turbulence (Meier and O’Toole, 2009; Van den Bekerom, Torenvlied, and Akkerman, 2016) and innovation (Berry, 1994; Ricard, Klijn, Lewis, and Ysa, 2017), such studies often pay limited, if any, attention to the role of cutbacks. This is disappointing, precisely because cutbacks can have a profound impact on performance and innovation, and on organisations at large. Studies on the aforementioned themes thus largely ignore cutbacks as a contingency factor to take into account when explaining managerial behaviour. One could, for example, imagine that a context of scarcity impacts the prevalence and relevance of particular theoretical concepts. One of the contributions that this dissertation makes is determining whether this is indeed the case and, if so, what this implies for public management theories. By treating cutbacks as a context variable, we also try to embed cutback management in a broader public management framework.

The remainder of this chapter has four distinct sections. First, Section 1.2 provides an overview of cutback management research to advance our argument as to why taking a managerial perspective on cutback management is both academically and practically relevant. Section 1.3 will then provide more in-depth arguments for our managerial focus and, more importantly, will outline the core assumptions of this dissertation about public managers and the tradition within which this dissertation can be positioned. Building on our managerial perspective as explained in Section 1.3, Section 1.4 will elaborate further on the various theoretical perspectives that are used in the empirical chapters of this dissertation. This section starts with an introduction to the different case studies that have been performed, including the theoretical perspective that is used to analyse managerial behaviour during cutbacks, and a short outline of the research design of these separate studies. This chapter ends with a brief explanation of the structure of the dissertation in Section 1.5.
1.2 WHAT WE KNOW ABOUT CUTBACK MANAGEMENT AND WHAT IS UNKNOWN

Cutback management has been on and off the research agenda of public administration and public management scholars, to a large extent mirroring the actual ups and downs of national economies (Pollitt and Bouckaert, 2011). Within cutback management research, three streams of literature can be distinguished (Cepiku and Sauvignon, 2012; Raudla, Savi, and Randma-Liiv, 2015a): (1) cutback management from a public administration perspective, starting with the work of Levine (1978) and focusing on the content of cuts; (2) contemporary public administration literature on managing austerity, where the attention is on strategies to manage cutbacks and the effects of cutbacks on employees; and (3) generic literature on organisational decline (e.g., Cameron, Whetten, and Kim, 1987; Weitzel and Jonsson, 1989; Whetten, 1987).

The first of these literature streams includes cutback management research from the late 1970s and early 1980s. In the wake of the crises of the 1970s, cutback management slowly climbed the research agenda. The work of Charles Levine in 1978 on organisational decline and cutback management is seen as the starting point of this line of cutback management research. Before the work of Levine, organisational studies primarily concentrated on organisational growth, rather than decline. Further, decline was seen as no more than a temporary slowdown in relentless organisational growth. Scholars such as Levine (1978, 1984), Behn (1980) and Brewer (1978) argued that managers should pay more attention to decline and proposed reactive strategies for dealing with decline (Cepiku and Savignon, 2012). Within this line of research, the content of cutbacks was central: what, when and where to cut (Scorsone and Plerhoples, 2010). Although Levine (1978) stressed that “government organisations are neither immortal nor unshrinkable,” it is often unclear within this stream of literature whether cutbacks are seen as permanent or as short-term responses to temporary austerity (Scorsone and Plerhoples, 2010). According to Raudla et al. (2015a), cutback management in the 1970s and 1980s emphasised the rhetoric of using private sector instruments within a public setting, which was later translated into the New Public Management (NPM) movement. Although research on cutback management flourished during the crises of the 1970s and 1980s, reaching its peak in the early 1980s, it then disappeared from the main stage when another period of economic growth ensued (Bozeman, 2010; Pandey, 2010).

The crisis that erupted in 2008 renewed interest in cutback management and marks the start of the second related literature stream: contemporary public administration literature on managing austerity. This line of research tends to focus on dealing with cutbacks on a more general level, for example by focusing on fiscal consolidation measures at the national level (Di Mascio and Natalini, 2015; Kickert, 2012; Kickert and Randma-Liiv, 2015; Trupin, Steen, and Stroobants, 2015; Wilks,

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2010) rather than looking at how cutbacks are managed at the organisational level (Pollitt, 2015). Nevertheless, a few recent articles focus on cutbacks at the organisational level by considering the impact of cuts on employees (Kiefer et al., 2015) and how public managers may mitigate the adverse consequences of cutbacks (Van der Voet and Vermeeren, 2016). Whereas the first literature stream on cutback management started with rather conceptual work on cutback management strategies (e.g., Levine, 1978), the renewed interest in cutback management led to more empirical papers on this topic, albeit often without considering a managerial perspective.

Cepiku and Sauvignon (2011) identified a third literature stream that can be linked to cutback management: generic management literature on organisational decline (Cameron, Kim, and Whetten, 1987; Cameron, Whetten and Kim, 1987; Whetten, 1987; Whetten, 1980). This literature stream focuses on decline as part of the organisational lifecycle. That this stream sees decline as an inevitable aspect of organisational life could explain why this stream has continued even when decline is replaced by growth (Bozeman, 2010). A downside for public management scholars is that this generic literature stream does not pay specific attention to the public sector, which makes insights from publications problematic regarding their applicability and hence explanatory power for public organisations (Boyne, 2006).

All three literature streams on cutback management research have provided useful insights into cutback management. Nevertheless, there are two related limitations with the literature on cutback management. The first problem, as explained in the introduction of this chapter, is that cutback management scholars have only to a very limited extent paid attention to managerial behaviour during cutbacks. Within the introduction, we already indicated that most research on cutback management focusses on the macro-level, while there are many arguments as to why research with a more managerial focus could contribute to our understanding of cutback management. A second and related problem is that the theoretical contributions of cutback management scholarship have been limited, and theoretical frameworks or a theory for cutback management are non-existent. The consequence of both these problems is that we need to draw on different perspectives to understand cutback management by public managers.

The question that remains is what theories can be used to explain managerial behaviour during cutbacks. To answer this question, it is important to first say a bit more on the theoretical assumptions of managerial behaviour that underlie the arguments developed in this dissertation.

### 1.3 STUDYING PUBLIC MANAGERS DURING CUTBACKS

Within this dissertation, public managers are the central actors. Public managers occupy a middle-level position in the government administration and have a supervisory role over employees, while being subordinate to political superiors. Within public administration and public management research, public managers have been approached from different theoretical points of view. The most
classical view on public managers is a Weberian view in which public managers\(^2\) are no more than the policy executives of the ruling politicians. In Weber’s view, bureaucracy is an administrative system in which trained professionals being subservient to political superiors work according to fixed rules. The work of public managers in this view is characterised by professionalism, neutrality, public interest, procedural safeguarding and the acceptance of subordination (Meyer, Egger-Beitler, Höllerer, and Hammerschmid, 2014). From this perspective, a public manager is a “neutral expert civil servant who competently translates political goals into action” (Derlien, 2003: p. 420 in: Meyer et al., 2014: p. 2013). While Weber saw bureaucracy as a necessary aspect of modernity, his perception of public managers as neutral rule-obeying professionals has been challenged by scholars from public administration, as well as by organisational theorists, sociologists and economists.

One potent and influential critique of the Weberian model was developed by the economist William Niskanen. Niskanen (1971) proposed a budget-maximising thesis in which public managers do not serve politicians (the Weberian view of public managers) but rather serve themselves. Public choice scholars such as Niskanen argue that individuals within government have their own utility function. According to Niskanen, budget maximisation is a way for public managers to increase income, prestige and power. The work of Niskanen fits in the tradition of public-choice scholars who view government growth as not so much a response to prior budget allocations but as a function of bureaucratic self-interest.

Studies testing Niskanen’s premises have provided mixed results (Rainey, 2009) and various aspects of the budget-maximising model have been questioned. First, the assumption that self-interest is at the core of public managers’ work motivation has been empirically challenged, with a wide range of studies showing that public managers generally have high levels of Public Service Motivation (PSM), meaning that contributing to public service and society at large is at the core of their motivation (Andersen, Jorgensen, Kjeldsen, Pedersen, and Vrangbaek, 2013; Kjeldsen, 2012; Taylor and Taylor, 2015; Vandenabeele, 2008a, 2008b). While not disputing that budget is required to make a societal impact, Moynihan (2013) found that higher levels of PSM did not lead public managers to advocate for a significantly higher budget. Furthermore, while higher budgets have been linked to higher prestige, it has been questioned to what extent budget-maximisation would lead to personal benefits for bureaucrats given that public sector salaries are often fixed (Moynihan and Andrews, 2010). Finally, the theory has been critiqued for its assumption “that political principals would passively accept bureaucratic recommendations” (Moynihan, 2013: p. 181), not in the least because political officials may also have a strong self-interest in trying to maximise their budgets (Moynihan and Andrews, 2010), as this may help strengthen policy areas that are a political priority.

\(^2\) Weber does not specifically focus on public managers, nor does he make a distinction between those in a managerial as against executive function. Rather, his work was focussed on all bureaucrats working in public organisations
Criticism of the maximising budget model prompted Dunleavy (1991) to develop a response: the bureau-shaping model. One of Dunleavy’s arguments was that increased budgets would go along with increased responsibility, something public managers would want to minimise. Within his perspective, public managers are still seen as actors that try to maximise personal utilities when making decisions but, rather than a focus on pecuniary incentives, rational public managers will use bureau-shaping strategies in order to bring “their agency into line with an ideal configuration conferring high status and agreeable work tasks” (Dunleavy, 1991: p. 209). Dunleavy’s work thus weakens the emphasis on budget maximisation and seems to create a model that fits better, at least with non-US bureaucracies. Rather than a complete rejection of Niskanen’s budget-maximising bureaucrat, Dunleavy’s model is a logical extension of this model. Niskanen and Dunleavy both argue that managers will act in self-interested ways, but the utilities that public managers aim to maximise are different in the two approaches. A further similarity in both approaches to managerial behaviour is that the utilities are fixed. In other words, whatever the context happens to be, a public manager will aim to maximise the same utility.

Cutbacks provide a context in which both models are problematic. During government growth “many can have a little more without any necessarily having less” (Dunsire and Hood, 1989: p. 42). In times of cutbacks, however, one person’s growth furthers another’s decline. Scarce resources make maximising budgets or bureaus a rather difficult exercise as the resources available are diminishing. In such circumstances, as Lambright (1998) argued, public managers generally have three options: they can choose to either implement cutbacks, fight them or use a combination of the two. Based on the models of Niskanen and Dunleavy, fighting cutbacks would be the most rational behaviour. An argument in both Dunleavy’s and Niskanen’s works is that public managers will try to maximise bureaus or budgets because this will increase their reputation and status, and the prestige of their function. Cutting back on budgets or bureaus would harm these aspects, and thereby decrease job satisfaction. However, various authors have contested this claim. Sigelman (1986), for one, argued that gaining a reputation as a budget-cutter may sometimes be more helpful in securing promotion than a reputation as a budget-maximiser. Dunsire (1991) argued that, in particular, governments including more conservative parties, committed to cutting spending on the state itself, will reward budget-minimising public managers. That cutbacks are not always perceived as something negative is shown by Van Der Voet and Van de Walle (2018) who found little direct effect of cutbacks on the job satisfaction of public managers. Overall, the relationship between increasing budget and bureaucratic careers is weak at best (Young, 1991). This further justifies the claim that implementing cutbacks can be a rational, self-interested choice for public managers, in contrast to the assumption in Dunleavy’s and Niskanen’s models. Another reason why public managers may want to implement cutbacks is that this gives them an opportunity to reform or change the organisation. In contrast, offering fierce resistance to cutbacks may result in being excluded from the decision-making about cutback-related changes whereas being involved in the cutback management process provides an opportunity to still shape the bureaucracy.
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The observant reader will have already seen that having to manage cutbacks may bring public managers to aim for very different utilities: as we briefly discussed, both defending the organisation against cutbacks as well as trying to implement these. These two seemingly incompatible goals thus provide new questions about managerial behaviour. Within this dissertation, rather than focusing on specific utilities that managers might aim to maximise, we see managers as rational, adaptive actors who may have different goals depending on the actors they interact with. From this perspective, managerial actions are understood as being strategic and goal-oriented (Kuipers et al., 2014) but, at the same time, the goals of their actions may differ in different situations. We will thus build on the premise that managerial behaviour during cutbacks is both rational and context dependent.

1.4 FOUR PERSPECTIVES ON CUTBACK MANAGEMENT

Each of the separate empirical chapters will make use of a different theoretical perspective that might help explain managerial behaviour during cutbacks. These different theories are all grounded in the assumption that managerial action is strategic and goal-oriented. The overarching idea behind using different perspectives is that public managers have to deal with different stakeholders during cutbacks. It is posited that interactions with different actors cannot be understood by a single theoretical perspective since most theories only illuminate a particular aspect of managerial behaviour. Therefore, using multiple, complementary, theoretical perspectives can help shed light more fully on the role and behaviour of public managers. We use the heuristic of Moore (1995) who argues that public managers have to manage upward, outward and downward to create public value. This characterisation of managerial behaviour should be seen as a “shorthand expression of a much longer and more complex set of managerial functions and efforts” (O’Toole, Meier, and Nicholson-Crotty, 2005: p. 48). Moore (1995) did not offer much detail on what managing upward, downward and outward entailed, rather using it as a reminder that public managers have different managerial orientations and need to take different stakeholders and their considerations into account. Given that the work of Moore (1995) does not provide us with a theoretical perspective to work with, we have opted for different theoretical perspectives to provide insight into what managing upward, downward and outward may entail during cutbacks. Figure 1.1 shows the perspectives that are used in the different empirical studies. We now discuss all these theoretical perspectives, in particular how they fit the assumption of intentional and strategic managerial behaviour.

Managing upwards is analysed by adopting a political-administrative perspective. Public managers and political superiors need to work together in public organisations and, especially in times of crisis such as cutbacks, cooperation between both actors is seen as crucial (Lodge and Wegrich, 2012). The answer to the question as to what public organisations cut back, and how cutbacks are implemented, depends on what public managers and political superiors decide. In other words, to manage cutbacks, public managers are forced to interact with their political superiors. As both public managers and political superiors can be expected to have certain preferences (Hood and
Lodge, 2006), we can expect them to negotiate over *what* and *how* to cut back spending. The Public Service Bargain (PSB) perspective can help analyse this negotiation. From such a perspective, the strategic choices that public managers and political superiors make in the inducements they give, and the rewards they receive, lead to a certain outcome (Salomonsen and Knudsen, 2011). By using a PSB perspective to analyse managing upwards, we can reveal how the strategic interaction between public managers and political superiors affects cutback management processes.

**FIGURE 1.1 Perspectives used in different empirical studies**
Next to political superiors, public managers can be confronted with a wide range of stakeholders within the external environment of their organisation (Raudla et al., 2015). Managing outwards is thus seen as a public manager’s interactions with external stakeholders. Labour unions, interest groups, private organisations and citizens are just some of the stakeholders that may try to influence decision-making regarding cutbacks. Public managers may use either an open or a closed cutback management strategy (Van der Voet, 2018). An open strategy involves public managers in actively trying to engage external actors in the cutback management process, whereas a closed process means that public managers try to keep external actors out of the loop. A strategic management perspective can help make sense of why public managers choose to engage, or not, with such external stakeholders (Boyne and Walker, 2004). More specifically, whether public managers choose to interact with such actors depends on their strategic stance. Some public managers may find that interacting with external stakeholders is helpful in the cutback management process, and therefore choose to actively engage with them. Such behaviour can be seen as ‘prospecting’. In a different approach, other public managers may deliberately choose not to engage with external stakeholders, and to focus on their internal organisation. Taking this strategic stance to external stakeholders, can be defined as ‘defending’. Public managers may also choose to take a more reactive strategic stance and wait until they receive instructions on whether or not to interact with external stakeholders.

Managing downwards refers to the interactions between public managers and their subordinates. Cutbacks often result in cutback-related changes that have profound impacts on public organisations and their employees (Kiefer et al., 2014). It is in such difficult circumstances that leadership behaviour is often most visibly observed (‘t Hart and Uhr, 2008). Different leadership styles and theories (transformational leadership, change leadership and crisis leadership) can help in analysing the leadership behaviour that public managers intend to show when confronted with cutbacks. Assuming that public managers’ behaviour is ultimately aimed at realising organisational goals, their leadership behaviour will be focused on making cutback-related changes work. The leadership theories will help to illuminate different aspects of what such leadership behaviours will look like, and to understand why public managers engage in such behaviours.

Finally, public managers may also bring their own values and beliefs into decision-making processes regarding cutbacks. The decision as to which cutback management strategy to use to implement cutbacks, such as between proportional and targeted cuts, can be seen as a decision where different values are at stake. Following from the core assumption of this dissertation that a public manager’s behaviour is intentional and strategic, the values that are important to public managers will be incorporated in their choice for a particular cutback management strategy. Alongside the perspectives that help us understand how public managers’ interactions with other actors shape their managerial behaviour during cutbacks, this perspective adds a manager-centred inward focus.

Overall, by combining these different perspectives connected to divergent orientations in the behaviour of public managers and their decision-making during cutbacks, we hope to explore the full range of managerial behaviours during cutbacks, and to understand why public managers behave in a particular way when confronted with cutbacks.
1.5 STRUCTURE AND OUTLINE OF DISSERTATION

The overarching research question of this dissertation will be answered by focusing on public managers themselves, and on their interactions with other stakeholders. Chapters 3, 4 and 5 all deal with one type of interaction (managing upward, outward, or downward) and Chapter 6 will focus on public managers themselves, and more specifically the role their values play.

Before the empirical components of this dissertation are presented, Chapter 2 first describes the research context of the case studies, and puts cutbacks within the Dutch government in the broader context of cutbacks within Europe in the last decade. By explaining how Dutch central government has been confronted with cutbacks between 2012 and 2017 (the time span of this study), Chapter 2 sets the stage for the empirical chapters that follow. The chapter also explains the institutional context in which public managers work within the Dutch central government, and in addition explain their formal roles and responsibilities. Following this, the study’s design is introduced and methodological considerations elaborated upon, including the use of elite interviews.

Chapter 3 is the first empirical chapter and focusses on the interaction between public managers and their political superiors. Within this chapter, the focus is on how this interaction affects both the process and the content of cutback management. We examine the interactions of public managers of an executive agency and prison directors with political principals and analyse what role these interactions played in determining what and how to cut back. The aim of this chapter is to understand how political–administrative interactions affect cutback management by public managers, and to see how interactions between political superiors and public managers develop during cutbacks.

Chapter 4 focusses on the interactions of public managers with their external environment. Within this chapter, the focus is on whether public managers engage with external actors during cutbacks and, if so, why. We draw on the classical framework by Miles and Snow (1978) who differentiate between different strategic orientations that public managers might have towards their environment. In this chapter, we specifically focus on external interactions and ask the questions whether, how and why public managers take a specific strategic stance towards their external environment during cutbacks? We study three different organisational units from the same organisation. Interviews with 28 respondents from these organisational units help to understand whether, how and why public managers engage with their external environment during cutbacks, if a closed or open cutback management strategy is adopted and what form interactions with external stakeholders take. Furthermore, we aim to extend theory development in strategic management by examining what drives public managers to take a particular strategic stance towards their external environment when resources are under pressure.

Chapter 5 focusses on the role of the leadership style of public managers when needing to implement cutback-related changes. Drawing on the literature on transformational leadership, change leadership and crisis leadership, this chapter aims to explain the leadership behaviour of public managers during cutbacks. This is achieved by focussing on the implementation of cutback-related
changes, and thus the main focus is on the interactions of public managers with their employees who are confronted with cutbacks. For this study, over 50 interviews were conducted with public managers from three different organisations. The results contribute to our understanding of leadership behaviour during cutbacks, and therefore will be of interest to scholars of both leadership and cutback management.

The final empirical chapter of this dissertation, Chapter 6, focusses on public managers themselves, rather than on their interactions with other actors. The goal of this chapter is to explain why public managers opt for proportional or targeted cutback management strategies, and does so by focussing on the underlying value structures of public managers. Here, we draw on Hood’s (1991) framework of lambda, sigma and theta values. The chapter therefore asks: how do values manifest themselves in cutback decision-making? The study is based on 26 in-depth interviews with public managers from the three highest echelons within the Dutch central government. This study contributes to our understanding of how the values that public managers themselves find important are manifested in their decision-making. In so doing, we aim to contribute to cutback management studies, and to studies on decision-making and values, by identifying which values are relevant in the particular decision-making context of cutbacks.

Chapter 7 is the conclusion of this dissertation and summarises the main findings of the various empirical chapters. Furthermore, the theoretical implications of this study are discussed: for public management scholarship in general, and cutback management scholarship in particular. After reflecting on the limitations of this dissertations and outlining avenues for further research, this dissertation ends with some practical implications.