# Perspectives on cutback management in public organisations : what public managers do

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# Chapter 6

**Public Managers**
A values perspective

# CHAPTER 6 – PUBLIC MANAGERS: A VALUES PERSPECTIVE[15]

## ABSTRACT

Confronted with severe budgetary constraints, top civil servants have the responsibility of implementing cutbacks within their organisations, either by applying proportional or targeted cuts as cutback management strategy. Drawing on elite interviews, we describe how and what values of top civil servants manifest themselves in cutback decisions. We show that the relationship between values and cutback management strategies is much less clear than conceptually understood and suggest that values of top civil servants are context-dependent.

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## 6.1 INTRODUCTION

As a result of the economic and fiscal crisis, many top civil servants face the task of implementing cutbacks within the administrative apparatus of their organisation (Kickert and Randma-Liiv, 2015). Top civil servants occupy a pivotal position between political superiors and employees, and have an important decision-making role regarding cutbacks (Raudla et al., 2015). Despite the important role that top civil servants play in cutback decision-making (Schmidt et al., 2017), most studies take a macro-perspective, for example by focusing on fiscal consolidation (Kickert et al., 2015; Randma-Liiv and Kickert, 2016). As a consequence, explanations linked to the attitudes and behaviours of individual top civil servants are lacking. This study aims to contribute to a managerial perspective on cutback management by exploring the related decision-making by top civil servants.

This study explores what values manifest themselves in top civil servants' cutback decisions. Values provide "*direction to the behaviour of public servants*" (Andersen et al., 2013: p. 293) and thus influence managerial behaviour (Van Der Wal et al., 2008). While values cannot be observed directly, they manifest themselves through decision-making (Van der Wal and Huberts, 2008). Top civil servants constantly have to balance different values in their work and are often confronted with value conflict (De Graaf et al., 2016). Especially in situations where decision-making is concerned with budget allocation, tensions between conflicting values (such as efficiency and equity) can arise (Okun, 1975; Fernandez-Gutiérrez and Van de Walle, 2019). This particularly holds when resources become scarce, as is the case during cutbacks. We, therefore, ask: *How do values manifest themselves in cutback decision-making by top civil servants?*

This study's first aim is to contribute to cutback management literature. While the growing public-sector cutback management literature has paid attention to types and effects of cutbacks (Van der Voet and Vermeeren, 2016; Kiefer et al., 2015; Douglas et al., 2019) little attention has been paid to how public managers decide their cutback management strategies (Schmidt et al., 2017). Our managerial focus thus adds to an underdeveloped perspective on cutback management. Some studies on cutback management from recent and more distant past have paid some attention to decision-making regarding the strategies for implementing cutbacks, so-called cutback management strategies (Raudla et al., 2017). Within such studies, different values have been linked to the decision for particular cutback management strategies. However, such studies are mostly conceptual in nature, making this article among the first to offer an in-depth view of how top civil servants decide their cutback management strategies. The second aim of this study is to contribute to our understanding of how values manifest themselves in decision-making in the specific context of cutbacks. Research on values shows that people hold a wide variety of values, yet only take a subset of these into account when making decisions (Witesman and Walters, 2015). This suggests that values are context-dependent and, indeed, there is increasing attention to the context-dependence of values (Andersen et al., 2013; Witesman and Walters, 2014). In a context of cutbacks, where resources are scarce, top civil servants need to make decisions in which they have to balance different values but are unable to satisfy all. Thus, studying how values manifest themselves in cutback

decision-making may help identify those values that are relevant in this particular decision-making context (Witesman and Walters, 2015).

We explore how values manifest themselves in cutback decisions by interviewing top civil servants from the Dutch government. Like many, the Dutch central government needed to make cutbacks following the latest economic crisis (Kickert and Randma-Liiv, 2015). After the September 2012 elections, the new conservative-liberal/social democratic coalition government announced 1.1 billion Euros of cutbacks in the central administration: ministries (primarily focused on policy-making) and executive agencies (primarily focused on policy execution), to be achieved by 2017. Even before these cutbacks, all cabinets since 2002 had proposed cuts to Dutch central government. As such, managing cutbacks has been a core task of Dutch top civil servants. These top civil servants have a high degree of autonomy regarding the management of their department, implying they have a key responsibility for managing cutbacks within their organisation.

## 6.2 CONCEPTUAL FRAMEWORK

Bozeman (2007) defined values as *"the principles on which governments and policies should be based"* (p. 13). Van der Wal et al. (2008) applied Bozeman's definition to the decision-making of government elites. They define values in this regard as *"important qualities and standards that have a certain weight in the choice of action"* (Van Der Wal et al., 2008: p. 468). Such a conceptualization implies that values have a strong potential to affect behaviour. The relationship between values and behaviour, specifically regarding decision-making, has been researched extensively in social psychology (for example, Bardi and Schwartz, 2003; Schwartz, 1992), and more recently also entered public administration research (Van der Wal et al., 2015).

Public administration research into values and decision-making initially concentrated on *what* values are important to public managers and to other administrative and political actors. This led to various attempts to build classifications, networks, or constellations of values, to develop a universal public-value hierarchy (Bozeman, 2007; Jorgensen and Bozeman, 2007; Rutgers, 2008). Witesman and Walters (2015) observed a fundamental problem in establishing such as hierarchy: that values are sensitive to context. The context-dependence of value hierarchies boils down to a simple principle: that, in a specific decision-context, *value a* can be preferred to *value b* but, in another scenario, *value b* will take precedence over *value a*. Values, in this sense, can be seen as rationalizations or justifications of context-specific actions. Our premise is that government elites regularly need to make choices between conflicting values and that such tensions are greater in times of cutbacks when it comes to the allocation and redistribution of budgets (Fernandez-Gutierrez and Van de Walle, 2019).

## The administrative values framework

We use the administrative values family developed by Hood (1991) as a perspective to analyse what values underlie managerial decisions related to cutbacks, differentiating between sigma-, theta-, and lambda-type values. The typology reflects clusters of core public administration values that underlie the value dilemmas that public organisations face. Hood's (1991) classification is helpful because it not only differentiates between different values but also describes what is regarded as success and failure within an organisation, as determined by the emphasis on a particular type of values. In so doing, Hood (1991) shows how emphasizing different administrative values may impact day-to-day work and the design of public organisations. While all the values in the framework are relevant and important within public organisations, they can compete for attention and, in some cases, be seen as incompatible. Most research in this regard has addressed the efficiency versus equity debate (Fernandez-Gutiérrez and Van de Walle, 2019; Okun, 1975), despite such value conflicts potentially existing not only *between* different administrative value families but also *within* one administrative value family. Efficiency and effectiveness, for example, can both be grouped under sigma-type values, but are not necessarily perfectly aligned. A very effective organisation in terms of policymaking can still be inefficient when it comes to the costs of such programs. It is up to top civil servants to balance conflicting values. We argue that top civil servants justify their decision for a specific cutback management strategy by appealing to specific types of values. Table 6.1, adapted from Hood (1991), shows the focus within the different value clusters, what is regarded as failure and as success, and examples of values that can be grouped under each type of value.

**TABLE 6.1** *Administrative value families (Adapted from Hood, 1991)*

|  | Sigma-type values | Theta-type values | Lambda-type values |
|---|---|---|---|
| **Focus** | Matching resources to the tasks for given goals | Ensuring fairness and the proper discharge of duties | Ensuring the organisation's resilience and endurance |
| **Goals** | Improved efficiency, cost reductions | Adequate and fair governmental processes | Maintain government resilience, survive crises |
| **Avoiding** | Waste (inefficiency, slack) | Malpractice (unfairness, bias) | Breakdown (organisational catastrophe) |
| **Values** | Efficiency, frugality | Rectitude, legitimacy, honesty, accountability | Reliability, robustness, adaptability, security |

The different value families involve both traditional bureaucratic values, such as honesty, fairness, and equality, as well as values such as productivity and efficiency that are emphasized within the New Public Management (NPM) rhetoric. Hood's (1991) framework is not without critique. Rutgers (2008), for example, argued that it is difficult to assess the validity of Hood's framework and especially the framework's distinctive categories. While Hood (1991) argues that the framework correspondents roughly to the works of Strange (1988) and Harmon and Mayer (1986), these studies do not provide additional arguments for the validity of the distinction (Rutgers, 2008). Critiques have also noted the overlap of some values despite Hood (1991) already stating that the clusters of

values within his framework could be seen as a Venn diagram with intersecting circles, rather than as separate clusters. Furthermore, it has been argued that some values are connected. For example, Chan and Gao (2013) argue that efficiency and fairness are related, as dishonesty may lead to inefficiency. While some managerial actions may be targeted at achieving different values, Hood (1991) notes that it is difficult (if not impossible) to satisfy all three sets of values simultaneously. Despite the critique, it is hard to miss Hood's contribution to public administration as both the framework and the values within the framework have been widely cited used in many different empirical (for example: Toonen, 1998; Chan and Gao, 2013) and conceptual studies (for example: Van der Wal et al., 2015; Jorgensen and Bozeman, 2007).

Hood's (1991) framework can be seen reflecting organisational-level values that top civil servants need to balance. Psychological research initially, and later public administration studies, suggest that individuals have complex and rich personal value systems that play a role in their decision-making (Bardi and Schwartz, 2003; Connor and Becker, 2003; Schwartz, 1992). These value systems stem from three different sources: personal, organisational, and societal values, and play a role in decision-making (Raadschelders and Whetsell, 2018). It appears that multiple values become particularly salient when faced with making decisions (Witesman and Walters, 2015), suggesting that people identify what values are most relevant in any particular decision context. Values in this sense serve as justifications for action, leading to an expectation of a hierarchy of values that guides managerial actions when determining cutbacks (Witesman and Walters, 2014).

## Administrative values and cutback management strategies

Cutbacks are usually linked to sigma-type values such as efficiency. For many governments, including the Dutch, *'doing more with less'*[16] has become a dominant mantra (Pollitt, 2010) and politicians from left and right have called for cutting waste. While efficiency gains can be a useful way of making savings, other values could (and probably should) be taken into account when managing cutbacks. The values that top civil servants feel they must consider will be the most explicitly reflected in their choice of cutback management strategies.

The most fundamental distinction within cutback management strategies is between "*proportional cuts*" and "*targeted cuts*" (Raudla et al., 2015). Proportional cuts affect all departments in equal amounts or percentages, while targeted cuts involve different cuts for different departments. The first tactic has been called "*cheese-slicing*" or "*decrementalism*" (Levine, 1978), while the latter is sometimes labelled *"strategic prioritization"* but also the less flattering *"random cuts"* (Levine, 1978). Conceptually, it has been argued that different values manifest themselves in coming to these different cutback management strategies. The cheese-slicing approach includes elements of equality since it avoids specifying victims, hence the term *"equal misery approach"* (Hood and Wright, 1981). Letting everyone contribute to organisational well-being might minimize conflict (Levine et

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16   It should be noted, that although 'doing more with less' has been a widely used phrase, empirical research suggests that this mantra is not really accurate and that governments '

al., 1981) and appeal to *"common sense ideals of justice"* (Levine, 1978: p. 320). Cheese-slicing also has the advantage that no expensive analysis is needed to define where cuts should be made, reducing decision-making costs and speeding the process (Dunsire and Hood, 1989). However, cheese-slicing might not reflect public needs and preferences. As such, the legitimacy (a theta-value) of the decision made regarding cutbacks can be questioned. A further risk of proportional cuts is that they may penalize efficient parts of the organisation (Raudla et al., 2015). If top civil servants want to justify their cutback management strategy by appealing to values such as efficiency, proportional cuts might not seem appropriate.

The downsides of cheese-slicing mirror the advantages of targeted cuts. Using targeted cuts may help to spare efficient parts of the organisation and give attention to the various needs within different organisational-units (Raudla et al., 2015). Here, values such as cost-effectiveness or productivity may justify targeted cuts. In this sense, targeted cuts link to the sigma-type values to which efficiency belongs. Furthermore, targeted cuts may reflect public preferences (Levine, 1985) by excluding specific organisational-units from having to implement cutbacks. This way, targeted cuts link to values such as accountability and legitimacy, which fit the theta-type values. In contrast to values such as impartiality and equality, a leaning towards theta-type values may thus lead top civil servants to prefer targeted cuts over proportional cutbacks.

Within the lambda-type group of values, resilience is seen as the measure of success and can be achieved by focusing on the robustness and reliability of public services. As such, top civil servants who attach importance to lambda-type values may view proportionally cutting some of their programs or services as inconsistent with being resilient. Cutting specific programs or departments could interfere with government procedures, and thus, targeted cuts may not be preferred by top civil servants focused on reliability and robustness (Levine, 1985). It could be that top civil servants who hold these lambda-values will opt to only cut back on those programs or departments (using targeted cuts) that can be cut without excessively influencing the primary processes, rather than implementing cutbacks across-the-board. Further, proportional cuts might be a risky strategy if top civil servants want to avoid any decline in performance or service from their organisation since it is difficult to say when cheese-slicing will have an unforeseen impact on performance (Raudla et al., 2015). Given that the standard of failure within the lambda-type values family is a breakdown or collapse of the organisation, targeted cuts might be used by top civil servants to prevent unforeseen problems since this approach usually involves an initial analysis. Therefore, holding lambda-type values such as robustness may lead to a preference for targeted cuts.

Overall, trying to relate values to cutback management strategies does not result in a clear picture: different values can be linked to the same cutback management strategy. Nevertheless, this theoretical framework shows possible links between the different concepts applied in this study. The literature on cutback management strategies remains rather conceptual, making this empirical study among the first to uncover how values are manifested in the choice of cutback management strategies.

## 6.3 METHODOLOGY

We use a qualitative research design to study the values that are in play in cutback decisions. As we are interested in *how* the values of top civil servants manifest themselves in decision-making regarding cutback management strategies, a qualitative research design is appropriate for illuminating the processes and mechanisms that underlie the choice of a particular strategy (Miles, Huberman, and Saldana, 2014; Ospina et al., 2018). Twenty-six top civil servants working within eleven Dutch ministries were interviewed for this study. Top civil servants working for executive agencies were excluded to minimize the possible confounding effects of organisational context.

Within this study, top civil servants are defined as individuals who have the position of Secretary-General, Director-General or Director, the three highest administrative positions within the Dutch central government. Respondents were selected on theoretical grounds: that, at the time of the interviews, they were a top civil servant within a Dutch ministry and had been confronted with severe budget cuts in recent years. Information about potential respondents was gathered using the

online database of the Senior Civil Service, the organisation that employs all top civil servants. The interview sample included respondents from all ministries and all three managerial levels to capture a wide variety of experiences with managing cutbacks, as table 6.2 shows.

Interviewing elites, such as top civil servants, has several challenges. One challenge is to prevent elites from dominating, controlling or spinning the interview. As Van Der Wal (2013) elegantly put it:

**TABLE 6.2** *Overview of the respondents*

|  | Respondents |
| --- | --- |
| (deputy) Secretary-General | 5 |
| (deputy) Director-General | 7 |
| (deputy) Director | 14 |

*Note: The ministries and gender of the respondents are not reported to safeguard their anonymity.*

> *"It would be naïve to act overly trusting towards individuals that are very well equipped to 'spin' facts and events, 'play' interviewers, and dominate and take over conversations entirely. In fact: They would never have become government elites had they not developed such skills."* (p. 6)

It is the researcher's job to be aware of this risk and, through proper preparation, try to avoid these potential pitfalls. Within this study, not sending the interview questions before the interview, properly investigating the background of the respondents and their organisations and preparing an interview guide helped to ensure that the necessary areas of interest were covered during the interviews. Furthermore, taping the interviews allowed the researcher to concentrate on the interview without having to write every interesting quote down. A more practical problem of interviewing elites can be their accessibility and availability since a lack of access to the anticipated respondents might challenge the validity of the sample (Berry, 2002). However, accessibility did not prove a problem in this study. The fact that we were interviewing top civil servants about past cutback management processes and first asked about *how* they dealt with cutbacks (thus asking for a largely chronological and factual overview) before going into questions about the values that were impor-

tant during these processes, should reduce the likelihood of socially desirable answers (Harvey, 2011) and might have contributed to respondents' willingness to participate.

This study used in-depth interviews for the data collection. The starting point of the interviews were questions about the position of the respondent, followed by questions on how they had been confronted with budget cuts in recent years. Respondents were asked to describe how they implemented these cutbacks, how they decided upon a specific cutback management strategy, and what values were important to them. The interviews were recorded and transcribed, and afterwards analysed in multiple rounds of coding using NVivo. First, we used an open coding process in which fragments of the interviews were inductively given codes. Such a process builds upon a careful reading of the interview data and categorization of the data into a broad range of codes. That is, in this part of the analytical process, values were not coded as any of the administrative value families but instead coded as the value itself. For example, when respondents discussed the importance of cost-efficiency, the fragment was here coded as efficiency rather than directly being coded as a sigma-type value. In the second round of coding, we applied an axial coding procedure. In this step, all the fragments that were coded under a single heading were reviewed. Further, apparent overlaps between codes were resolved by merging fragments on similar themes. This reduces the number of codes and helps to identify the dominant themes. Also, within this round, the values identified in the first round of coding were also placed into one of the administrative value families. The third round of coding involved a matrix coding procedure. Having coded fragments relating to both cutback management strategies and values, we were here able to see how values that respondents had espoused, for example in favour of proportional cutbacks, were reflected in their decisions, and in what way.

Table 6.3 shows an example of the coding procedure. The first column represents values as identified in the first, open coding, round. The second column shows the value-family to which these values were assigned in the second, axial coding, round. The third part of this table shows the matrix that was used to distinguish different interview fragments that included both a coded value (e.g., sigma, theta, or lambda) and a coded strategy (e.g., proportional or targeted cuts).

The coding matrix was not used to determine the strength of the link between the concepts (values and cutback management strategies) of this study but is a way of systematically organising and analysing data in order to identify relevant patterns. The coding matrix was thus used to find relevant interview fragments and to analyse *how* values manifested themselves in the decisions top civil servants made for the different cutback management strategies.

**TABLE 6.3** *Non-exhaustive coding scheme (matrix coding based on a Nvivo code)*

| Open coding | Axial coding | Matrix Coding | | |
|---|---|---|---|---|
| | | Values | Proportional Cuts | Targeted Cuts |
| Efficiency; Soberness | Sigma-Type Values | Sigma-Type Values | *Interview fragments* | *Interview fragments* |
| Righteousness; Legitimacy | Theta-Type Values | Theta-Type Values | *Interview fragments* | *Interview fragments* |
| Robustness; Reliability | Lambda-Type values | Sigma-Type values | *Interview fragments* | *Interview fragments* |

## 6.4 FINDINGS

For many interviewees, managing cutbacks was not a new task. On the contrary, some respondents argued that "*It [implementing cutbacks] has become an automatic process." (Director) and that "[a] new coalition means new cutbacks." (Director).* The inevitability of having to implement cutbacks was further underlined by a respondent who argued: "*If cutbacks have to be made, then the government cannot avoid looking at its own apparatus." (Director).* Such statements are in line with large-n studies involving government elites in the Netherlands and elsewhere, where it is often argued that cutbacks have been unavoidable (Kickert and Randma-Liiv, 2015). While the Ministry of Finance became more powerful during the last crisis (as was the case in many countries) (Kickert and Randma-Liiv, 2015), top civil servants that were interviewed for this study argued that they still had considerable autonomy in deciding how and what to cut back on operational expenditure, as long as the required sum of cutbacks was being realized.

When asked in more general terms about what values are important in times of cutbacks, many top civil servants responded with statements about being responsible for taxpayers' money:

"*I think that one has to be thrifty within the public sector. You have to be because every Euro you spend in the back office cannot be invested in a directly useful purpose for society." (Director)*

"*The government spends a lot of money. That is money from all of us. This is not money that belongs to the government as some think - that it is our money." (Secretary-general)*

"*Even in good times, when there are no cutbacks, you have to ask yourself: can I do the same job with fewer employees?" (Director)*

The quotes represent two dominant patterns in the data. The first pattern is that top civil servants should be thrifty with spending money on the administrative apparatus in times of cutbacks, as spending on government itself is not seen as directly affecting citizens' lives. The second pattern is that one should always be thrifty when spending taxpayers' money, regardless of whether there is a financial crisis and regardless of what the money is spent on.

When digging deeper into specific experiences with the types of cutback management strategies that were used, different values became apparent. Various interviewees described why they decided to use proportional cuts in implementing cutbacks. One value that was often apparent in interviewees opting for this strategy was efficiency, one of the sigma-values. Efficiency manifested itself in two ways. First as a goal in using proportional cuts, as stated in this quote:

"*You could use cheese-slicing as a strategy to put a little pressure on the organisation, which could help to make some efficiency gains." (Director)*

The underlying mechanism is that proportional cuts force departments to do the same work with fewer resources, and thus to become more efficient. The second way in which efficiency had a role in opting for proportional cutbacks was as a justification for using proportional cuts. Respondents argued that using proportional cuts is less time-consuming, thereby making the process of implementation and decision-making much more efficient:

> *"If you use targeted cuts, you have to make a plan for a reorganisation, (…) You have to struggle through all kinds of red tape, discuss with the personnel council, the labour unions (…) it is not easy." (Director-General)*

While efficiency was clearly apparent in many of the decisions made for proportional cutbacks, some respondents argued that efficiency could be at odds with effectiveness. Some respondents questioned to what extent proportional cuts helped achieve substantial cutbacks. As one of the top civil servants argued:

> *"If you cut everything, apart from the little efficiency gains, it will not be effective." (Director)*

The argument here is that while proportional cutbacks could indeed lead to some efficiency gains, they do not amount to making 'real choices.' From the interviews, it seems that the extent of required cutbacks plays an important role:

> *"You cannot cut back 40% by using cheese slicing. Then your organisations will stop functioning on all fronts. The level of cutbacks forces you to make strategic choices." (Director-General)*

This shows how different values manifest themselves in the work of top civil servants. On the one hand, it is important to consider efficiency but, on the other hand, excessively cutting back on all aspects might harm the organisation. Some respondents articulated that the primary processes can be harmed if proportional cuts are applied across the organisation:

> *"The process should continue in a good way. So, you must look at what you can and cannot [cut] because, otherwise, the primary processes of the organisation are hurt." (Director)*

Some managers argued that, since the primary processes should continue to be fulfilled, cheese-slicing ran the risk of damaging the most important tasks within their organisations. Therefore, they were more inclined towards targeted cuts. This can be seen as an expression of lambda-type values, such as resilience or robustness. In this way, they legitimize targeted cuts because the scenario that top civil servants with lambda-type values want to avoid is an organisational catastrophe. Although managers arguing for the importance of lambda-type values did not deny that cutbacks were necessary, they would emphasize the risks attached to applying proportional cuts. In other words, they

justify targeted points by addressing the importance of organisational resilience. Further, efficiency was also apparent as a value in opting for targeted cuts:

> *"We are starting the same process of looking where we can be a little bit more efficient and can work with fewer people. Where is work pressure already very high? Moreover, where can't we make things any more efficient? Where will we cut less? We try to look where we can cut back and how to do this in a good way." (Director-General)*

From this quote, we can see that some top civil servants specifically look for which parts of the organisation can still work more efficiently. Here, efficiency is used to determine where to cut within the organisation, hence using targeted cuts. It is important to note that the same value is, therefore, being used to justify different cutback management strategies. At the same time, some respondents explained that it is hard to differentiate between organisational-units, and that proportional cutbacks can then be an option since it delivers *'equal misery.'* They see sharing the pain of cutbacks amongst all departments as having elements of impartiality and equity:

> *"You are just sharing the pain among everyone. We cut everything a little bit, and we are done. That is the easy way." (Director-General)*

> *"It has to do with the fact that it is extremely hard to say: we can cut more in department A than we can cut at department B." (Director-General)*

Many top civil servants argued that it is virtually impossible to set good criteria or indicators for what to cut back and in which department, and therefore favour proportional cutbacks. As such, theta-values, such as impartiality and equity, may be involved in opting for proportional cutbacks alongside sigma-type values. We thus see that values from different administrative value families can be at play in reaching the same cutback management strategy.

Last, many respondents argued that targeted cuts and proportional cuts could be complementary. Comments on the use of a mix of both types of cut seemed to draw on considerations from different value sets. Some respondents argued that only using proportional cuts would not achieve real budget cuts, especially when slack had already been cut earlier in the cutback management process.

## 6.5 DISCUSSION

The first aim of this study was to contribute to the literature on value by showing how values manifest themselves in decision-making in the specific context of cutbacks. This study shows that many different values are manifested when top civil servants make cutback decisions. First, and not unexpected, sigma-type values play an important role in cutback decisions. This study underlines

that cost-effectiveness, or efficiency, is an important criterion in cutback decisions (Bozeman and Pandey, 2011). Other sigma-type values commonly found in the interviews relate to frugality. The interviews showed that the NPM doctrine of being thrifty with public money has been internalized in the daily routines of top civil servants and is an important motivator in their managerial actions. For civil servants who favour using proportional cutbacks, it could be that they have been caught up in the *"doing more with less" rhetoric*. The emphasis on the fact that top civil servants are dealing with taxpayers' money is also reflected in the types of expenditure, such as flying business-class, that some have abolished during the crisis. While Schwartz and Sulitzeanu-Kenan (2004) argued that NPM mainly promotes sigma-type values such as efficiency and frugality, the contribution of this study lies in the observation that also theta and lambda-type values are manifested in cutback decisions. Top civil servants are aware of the importance of values such as robustness and resilience (lambda-type values) to the organisation and use these values to opt for targeted cuts. The under-lying logic here was that proportional cuts might harm organisational performance and service delivery and that it is unclear with cheese-slicing when the tipping point will be reached and cuts start to affect performance (Levine, 1985; Raudla et al., 2015). Overall, what we saw is that top civil servants balance different values when choosing a cutback management strategy.

Related to this, our study shows that the relationship between cutback management strategies and values is not as clear-cut as earlier, conceptual studies suggested. For instance, several authors (e.g., Levine, 1985; Raudla et al., 2015) have linked efficiency to the adoption of targeted cuts, arguing that this strategy would help safeguard already efficient organisational-units. However, this study has found that efficiency-related values can also be present when opting for proportional cuts. The premise here is that cutting back all parts of the organisation by a certain amount will force the organisational-units to find ways to be more efficient. This result is a contribution to the cutback management literature, our second aim, and warrants further studies on *why* particular cutback management strategies are being adopted.

While relating values to cutback management strategies is a novel approach to explaining the adoption of certain cutback management strategies, public administration research has touched upon other aspects that might explain the choice of either proportional of targeted cuts. Most notable is the Administrative Response Model developed by Levine et al. (1981; 1982) during the crises of the late-1970s. The principle behind this model is that, when fiscal stress first appears, proportional cuts are more likely since these are easier to implement and reduce the likelihood of conflict within the organisation. However, as fiscal stress continues, top civil servants will be forced to adopt targeted cuts to achieve necessary budget reductions. As such, those of our respondents who argued that they first used proportional cuts to cut slack, and then used targeted cuts if further cutbacks are demanded, are acting in line with how scholars mapped a sequence of responses to the crisis (Levine et al., 1981; Dougherty and Klase, 2009). Building on this idea, it can be that what values are considered to be important may also differ depending on the scale of the cutbacks top civil servants are confronted with. This means that different values may be more salient in different cutback situations, and this may lead to the application of different cutback management strategies.

Scholars of value-hierarchies may want to take this into account when studying the values that are manifested in cutback decision-making.

## 6.6 CONCLUSIONS AND FURTHER RESEARCH

This study asked how values manifest themselves in cutback decisions by top civil servants, specifically when choosing a specific cutback management strategy. It answered this by looking at the underlying value structures with which top civil servants justify their decisions. We found that the relationship between values and specific cutback management strategies is not as clear-cut as sometimes posited in the literature. The most important finding in this regard is that the same value can be used to justify different cutback management strategies. The most interesting example from this study is the role of efficiency, with this value being used to argue for both proportional as well as targeted cuts.

A second finding from our study is that it is not only sigma-type values, such as efficiency, that are called upon in justifying cutback management strategies, and that values such as equity (a theta-type value) and resilience (a lambda-type value) are also used in decisions to adopt specific strategies. Top civil servants often explain their choice for proportional cutbacks by arguing that it is hard to differentiate between departments, thus showing that values such as fairness have a role in their choice for proportional cutback management strategies. Furthermore, attaching value to robustness tends to lead to a preference for targeted cuts, as this can help prevent the breakdown of some organisational processes.

Overall, our results contribute to the literature by demonstrating the need to refine our understanding of how top civil servants decide upon cutback management strategies. Previously, decision-making over cutback management strategies had only been conceptually addressed, and this study constituted a first attempt to empirically assess how cutback management strategies are determined on the managerial level by focusing on the underlying value structures. In doing so, this article contributes to our understanding of cutback management within public organisations. Furthermore, the results show how different values manifest themselves in the specific context of cutback management, and how top civil servants act upon these values. Having taken an exploratory stance, this research can pave the way for new research on cutback management. To encourage this, some limitations of our study as well as recommendations for further research are outlined.

First, using large-N designs may help to assess whether we can generalize the results of this study towards other groups of top civil servants (in the Netherlands or abroad). Extending this research to organisations with executive tasks, such as agencies, can be fruitful since it has been argued that in such organisations different values may be found important (Lyons et al., 2006). This is especially important in the context of cutbacks, whereas the boundary between operational and policy expenditures is less clear in executive agencies. Further, both the values and the positions of top civil servants may differ with cultural and political-administrative context (Van der Wal,

2014). Therefore, extending the research to other countries could increase the external validity of the current findings and lead to a better understanding of the possible context-dependency of these results. Based on previous research on cutback management strategies, we can also offer some organisational characteristics that might be expected to influence cutback management strategies and thus should be taken into account. These include the type of task (Glassberg, 1978), politicization (McTighe, 1979) decentralization (Levine et al., 1982), and the strategic capabilities (especially with regard to financial forecasting) of the organisation (Levine et al., 1981; Douglas et al., 2019).

The current study can be seen as providing initial insights into the role of values in decisionmaking during cutbacks that can be used in follow-up research.