

## **Panel proposal for NIG Annual Work Conference**

### **Public Management Reform: Cutback Management and Innovation within Public Organizations**

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The financial and economic crises have increased the need to reform public organizations (Kickert & Randma-Liiv, 2015). On the one hand, there is an increased need for public organizations to adapt to austerity measures and declining resources by implementing cutbacks in the organization. On the other hand, there is an increased need to improve efficiency and the quality of public service delivery by introducing innovations in the organizations. These developments make cutback management and innovation management two primary concerns for contemporary public management research. Cutback management has been defined as “*the management of organizational change toward lower levels of resource consumption and organizational activity*” (Levine, 1979: 180). We depart from this traditional perspective on cutback management by arguing that cutback management is not merely budget balancing (Overmans & Noordegraaf, 2014), but that it is simultaneously a process which may involve managing organizational change and innovation (Schmidt, Groeneveld & Van de Walle, forthcoming). Innovation management can be defined as the generation and implementation of ideas, practices or services that are new to the organization (cf. Walker, 2007: 592).

Cutback management and innovation management have traditionally been separate domains in the public management literature, but several connections between the two can be highlighted. For example, contemporary public organizations are characterized by simultaneous initiatives to save costs and improve public services (Pollitt, 2010), because the demand for high quality public services remains ever-present (Andrews, Boyne and Walker, 2012). Public managers and their employees are thus simultaneously involved with cutback management and innovation management, resulting in a “cacophony of changes” (Kiefer et al., 2010; Van der Voet & Vermeeren, 2016). In addition, cutback management and innovation management are inherently connected because cutbacks are often dependent on the introduction of innovative practices in order to do ‘more with less’, and innovations can result in – intended or unintended – opportunities to save costs. Finally, the general literature on innovation management (e.g. McKinley et al., 2014; Anderson et al., 2014) indicates that attempts to save costs both stimulate and impede the capacities of organizations to innovate.

In this sense, necessity can function as the mother of invention, as well as the mother of rigidity (Mone et al., 1998).

The aim of this panel is to bring together researchers that study public management reforms concerning cutback management or innovation management in public organizations, either separately, or the connection between the two. Paper proposals for this panel can focus on the following topics:

- The *relations and mutual influence* of cutback management and innovation management. Are innovations a way to achieve cutbacks or do they follow from these cutbacks? How do cutbacks after the introduction of innovations affect these innovation processes?
- The *process* through which reforms regarding cutback management or innovation management are implemented. What strategies are used to bring about cutbacks and innovations in public organizations? How does the implementation process unfold?
- The role of *inter-organizational coordination, learning and actor strategies* in reforms related to cutbacks and innovations. To what extent and how do organizations in the public sector collaborate and coordinate their strategies and actions in order to bring about reforms related to cutbacks and innovations? How do individual actors behave in the networks which are built around these reforms? What are strategies of actors to resist such reforms or innovations? How do actors learn and involve their organizations in these reform and innovation processes?
- The *role of managers* in reform related to cutback management or innovation management. What is the role of managers in the implementation of cutbacks and innovation? How does decision-making take place? What are appropriate or effective leadership styles for cutback management and innovation?
- The *context* of public organizations. How does the particular context of public organizations influence their ability to implement cutbacks and innovation? What is for example the role of political-administrative relationships, rigid bureaucratic structures, or the particular motivational dispositions in the public sector?
- What are the *effects* or outcomes of public management reforms related to cutback management or innovation management? For example, how do different strategies to implement cutbacks and innovations affect how employees respond to these reforms? To what extent do innovations contribute to organizational performance or citizen satisfaction with service delivery?

We invite authors to submit their research on any of the above topics. Submitted abstracts can be conceptual or empirical, descriptive or explanatory and qualitative or quantitative. Empirical papers can be focused on a broad range of (semi-)public organizations such as central government, local government, health care and education organizations. After evaluating and discussing the success of this panel, possible next steps may be to organize an international seminar on the topics addressed in this panel and to investigate the possibilities for a special issue in an international journal on this theme.

## References:

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