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## Moving from talk to action: Implementing austerity-driven change

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### ABSTRACT

Organizational change is often proposed as a solution to austerity. Implementing change when there is no budget, however, is difficult. This paper explains how a major Dutch city implemented radical changes in the wake of the global financial crisis. The paper relates the change programme to eight accepted determinants of successful change. Drawing on the experience of 65 employees, the author explores three catalysts for success, which he calls 'acts of implementation'. The paper explains why successful implementation of austerity-driven change is not just a matter of complying with eight static success conditions but also of crafting dynamic acts that fits the specific context of austerity. Implementers have to deal with politics, resistance and ambiguity to move from talk to action.

### IMPACT

Practising innovation during fiscal crises is notoriously difficult because there is no time to waste, and no money for reforms. Realizing organizational change in the midst of crisis is a strike with little chance of success. Managers and policy-makers can learn from this paper how their colleagues in a large Dutch city successfully implemented radical austerity-driven change by focusing on specific contextual factors. They can learn how these managers have accepted and used political interference, how they anticipated resistance to change, and how they established and aimed for multiple aspects of success.

### KEYWORDS

Austerity; implementation; municipality; organizational change; thick description

## Introduction

Dutch municipalities have been dealing with austerity since 2010. As well as various strategies to reduce budget deficits, organizational change (OC) is often proposed as solution to run municipalities better and cheaper (for example Diamond & Vangen, 2017). Investing in OC when there is no budget, however, is notoriously difficult (Shafritz, Russell, Borick, & Hyde, 2017). Implementing OC during austerity is hard because there is no budget to lubricate reforms, or to buy off objectors with alternative positions or compensation (Pollitt, 2010). The fixation on 'short-term gapmanship' (Schick, 1986) is likely to put the focus on quick wins rather than on transformational change, although it is in fact this type of change that could contribute to a municipality's long-term financial sustainability (Cepiku & Savignon, 2012).

Recently, however, a methodologically rigorous evaluation study has shown that the Dutch city of 'Alexandrium' (real name anonymised) was able to implement OC successfully while dealing with austerity. Of course the judgment of success depends on how 'success' is defined, but the municipality's leadership put considerable effort into the development of a broad set of 'success' criteria prior to the implementation. In co-operation with an employees' council, 64 criteria to do with the reforms

were formulated which allows effectiveness to be evaluated.

The contradiction between theoretical notions (it is near impossible!) and empirical evidence (it has happened!) merits further investigation. Informed by the academic literature on OC and austerity, this article describes and interprets the implementation of OC in Alexandrium. The circumstances, strategies and motivations are discussed, and the findings are related to eight conditions of successful change (Fernandez & Rainey, 2006). The implementation in Alexandrium was most likely successful because the implementers managed to comply with the determinants. The research questions behind the study were:

How can the successful implementation of OC during austerity in Alexandrium be explained?

Did the implementation comply with generic conditions for successful OC, or do alternative conditions explain success?

A 'thick description' (see Ponterotto, 2006) offers the required closeness to develop a nuanced view of the implementation. This allows us to examine the relevance of the success conditions to be examined and it also highlights the alternative conditions, linked to activities and behaviour, that contributed to the success. Both analyses enable theory building, as the

results provide the necessary information to specify the determinants of change implementation under austerity.

### Organizational change and austerity

Recent economic conditions, as well as political and public demands for cost-efficiency, have stimulated the current interest in OC in the public sector. Due to disconnects between organizational science theory and public management theory, practitioners have long been directed to Lewin's (1951) steps of OC and Kotter's (1996) conditions for successful business transformation. Recently, a number of theoretical studies have looked at OC in the public sector (for example Kuipers et al., 2014; Schmidt, Groeneveld, & Van de Walle, 2017). Despite providing interesting insights, most papers are at best vague about the do's and don'ts of effective change implementation in public sector organizations.

The most prominent study addressing the success conditions of public sector change is by Fernandez and Rainey (2006). They formulated a compass containing eight determinants that contribute to successful change. Looked at against the background of austerity, these determinants are:

- *Ensure the need*—Managers have to verify the need for change and persuade employees that OC is necessary. Fernandez and Rainey (2006) recommend that managers begin with crafting a vision of the future organization that provides direction for the change process, is easy to communicate, and serves as a foundation from which change strategies can be developed. The value of communication for change under austerity is recognized (for example Cayer, 1986). Proper communication helps to clarify the process, demystify decision-making, and explain what the future holds for the organization (Raudla, Savi, & Randma-Liiv, 2015). Although the need for change will not always be shared by everyone, the necessity and urgency of change will be more evident when the organization is in crisis (Kickert, 2014).
  - *Provide a plan*—Persuading people to change is not enough to realize actual change. Ideas need to be converted into a road map with goals and a plan for achieving it. The more specific the plan is in terms of goals, measures, guidelines, and procedures, the more likely it is that employees are to implement it (Porter, Floden, Freeman, Schmidt, & Schwille, 1988). A detailed plan allows implementers to judge the effectiveness of their actions, track their progress, and assess how faithfully they are in realizing proposed change.
  - *Build internal support for change and overcome resistance*—Committed employees who believe in the reforms are crucial to realizing change.
- Fernandez and Rainey (2006) report that employee participation is the most used strategy to overcome resistance. Participation allows employees to codetermine the future course and helps them to develop ownership. Kickert (2014), however, finds no evidence of participation and indicates that, in the public sector, employees are only involved during implementation. Many studies show that employee participation is unlikely during austerity. Levine (1985) found that participation reduced general resistance for change but, paradoxically, fuelled resistance from the reforms' biggest losers. Managers therefore need to find alternative ways to reduce resistance and build support, for example dialogues and personal attention towards the needs and worries of co-workers (Van der Voet & Vermeeren, 2017), or inducements and rewards for positive behaviour (Levine, Rubin, & Wolohojian, 1981).
- *Ensure top management support and commitment*—Change implementation is a much simpler task when top management is committed and supports it. The difficulty in public sector organizations, however, is that there are often multiple 'top managers'. Fernandez and Rainey (2006) recognized this and separated the internal administrative top management from the external political top management. However, the identification of political actors as external stakeholders is a poor translation of Kotter's (1996) business conditions. In public sector organizations, the highest-ranking official is powerless without the support of the political executives. Change can only be implemented when both the managerial and political executives are committed. In Dutch municipalities, it would be unthinkable that OC might be initiated from outside the top management. Committed leadership refers to the degree of congruence between political and managerial ideas about the future role and organization of the municipality. Political commitment is likely to increase when politicians have a role in crafting an inspiring vision of a value-creating organization, and appointing actors who are sympathetic to the change and have the knowledge and skills to bring it about. Managerial commitment, on the other hand, is likely to increase when managers support the vision and when they are made responsible for designing a suitable organization and a road map to realize OC. Continuity in top management is crucial to implementing change without misunderstandings, backpedalling or adjustments in priorities.
  - *Build external support*—OC impacts many people from inside and outside the organization. Besides gaining support from employees, managers need support from external stakeholders, such as interest groups and unions. The importance of

these stakeholders stems from their ability to impose statutory changes or to start campaigns opposing the direction of change (Levine et al., 1981). Relationships with such external parties will often deteriorate in times of fiscal stress (Cayer, 1986). Implementing change without the support of these stakeholders can speed up the process, albeit at the cost of dissatisfaction and criticism (Weissert & Goggin, 2002).

- *Provide resources*—OC gains are typically preceded by substantial investments. Planned change involves the redeployment or redirection of resources towards a host of change-related activities, such as writing the organization's vision and reorganization plan, communicating the message, training employees, restructuring the organization (Fernandez & Rainey, 2006). A lack of resources is a common barrier to effective implementation (Desimone, 2002). The redirection of budgets in the public sector is always complicated because of the high levels of resource commitment. During austerity change is even more difficult.
- *Institutionalize change*—Making enduring changes requires reforms to be incorporated into daily organizational routines. Virtually all OC involves modifications in the behaviour of employees (Fernandez & Rainey, 2006). Evidence shows that changing culture, routines, and behaviour is difficult (for example Kavanagh & Ashkanasy, 2006). There are many strategies to stimulate the institutionalization of change, such as adjusting structures, employing rites and ceremonies, testing innovations, and collecting data to track the progress (Armenakis & Bedeian, 1999). The evidence regarding the optimal pace for institutionalizing change is mixed. A slower pace is likely to contribute to the gradual adoption of change, but runs the risk of missing momentum when the leadership turns over (Kavanagh & Ashkanasy, 2006). A faster pace will be helpful to overcome inertia, but generates dissatisfaction and decreases morale (Tushman, Virany, & Romanelli, 1985).
- *Pursue comprehensive change*—Finally, the chances of successful OC will increase if change is pursued at all organizational levels. To achieve subsystem congruence, managers need to develop a comprehensive approach to change. This means that change activities at all organizational levels need to be aligned with the overarching goals. The whole organization has to be considered, as reforming only a small number of organizational divisions will not generate the desired transformation (Fernandez & Rainey, 2006).

Although many academics and practitioners might see these determinants as obvious elements of OC,

research has shown that they are often overlooked or under-estimated (Kotter, 1996).

## Research design

### Study setting

We used a case study approach to create a thick description and interpretation of change implementation during austerity. 'Alexandrium' is one of the largest municipalities in The Netherlands with 500,000 inhabitants and 15,000 city employees. The municipality had to cope with extreme budget shortfalls between 2009 and 2016. Austerity, however, was accompanied by other major challenges such as the abolishment of boroughs, the decentralization of national tasks without corresponding budgets, and a political change. Alexandrium was selected because:

- It is a contemporary municipality wanting to overcome the global financial crisis with OC. In 2012, the city council approved an ambitious set of austerity policies. The vast majority of savings—around 200 million euro—had to be realized with sweeping reforms, such as the merger of 25 independent divisions and a handful of boroughs into one authority and the reduction of management and policy-makers. OC was thought to be the answer to terminating similar task execution within different units, endless expansion of the organization, disorganized provision of customer services, and an excessive focus on procedures and bureaucracy.
- The city was successful in the swift implementation of quite radical reforms while dealing with austerity. Drawing on rigorous fact-checking, an independent research group concluded that almost all of the city's preconceived success criteria had been realized. This included, for instance, the achievement of the required cuts, the implementation of new organizational structures and IT systems, the adjustment of procedures, and the harmonization of contact centres across the city. Following Fernandez and Rainey's (2006) success conditions, Alexandrium is a *critical case*: if compliance with the eight determinants of OC leads to successful implementation of austerity-driven change in one of the most complex Dutch cities, then, most likely, it would lead to successful implementation anywhere, at least in The Netherlands.

### Data sources

Data were collected from three categories of sources, allowing triangulation and increasing the internal validity of the empirical material. First, the study drew

on the personal experiences of 65 employees. The interviews provided detailed information about these employees' efforts to implement OC in the wake of the global financial crisis. The interviews were organized, planned and conducted by the author, along with six other researchers. Detailed recordings allowed a rigorous analysis. Second, a variety of formal documents was analysed, for example budget books, strategic business plans, audit reports, and austerity policies. Third, interviews and accounts were complemented with internal documents prepared to co-ordinate change implementation.

### *Data analysis*

Empirical data regarding the eight conditions was collected—interviews provided evidence about the employees' perceptions of how reality has lived up to the theoretical success conditions, while documents were analysed to examine the aims and results of the implementation. A thick description was therefore created of Alexandria's change implementation during austerity.

### *Case study*

#### *Ensuring the need*

Alexandria has been dealing with an unprecedented fiscal crisis since 2009. A combination of declining revenues and increasing demands for services generated a major shortfall. Because little could be done to generate extra income through council taxes, the leadership decided to drastically reform the municipal administration. Alexandria invested in convincing the employees of the need for change; initially, with a comprehensive organizational change plan (OCP) in 2013. The OCP clarified the need for change, the preconditions for the future organization, the new organizational 'main structure' and steering model. Subsequently, a mission statement was developed, which identified the crucial aspects of the change, as well as the guiding principles for future action by politicians, management and employees.

Both documents served as the foundation for a communication strategy to inform employees about the change, as well as to gaining support for it. Twelve instruments were developed for this purpose, among others, a corporate story, weekly newsletters from the city manager, meetings for top and middle-management and an animated movie in the words of a respondent: 'We invested immensely in the story of organizational change. Why are we doing this? That was really well managed. A complete road show'.

The communication efforts helped in terms of convincing employees about the need for change. Tolerating the need for change, however, is different

from sharing the ideas of the future organization. The interviews confirmed that the majority of employees agreed with the idea that reforms were necessary. A midterm review, on the other hand, uncovered that even during the implementation 'people yearned for a clear and inspiring framework and a more persistent co-ordination of the process'. The evidence displays a difference between 'understanding' and 'internalizing' the need for change (see Kotter, 2002).

#### *Providing a plan*

A number of cascading plans was developed to guide the implementation. Besides the need for change and an image of the future organization, the OCP contained an outline of the trajectory. The OCP was translated into a formal reorganization plan containing a detailed description of the future organization and the legal consequences for the employees. Six transition plans were then developed—these specified the aims, structure and culture of the future organizational subsystems, and provided information about the implementation in terms of planning time, milestones, risks, and change-related activities. All of the transition plans complied with the financial preconditions, and budgetary reductions were incorporated. The transition plans formed the actual point of departure for the implementation.

However, just having plans does not mean that all employees will support a proposed course of action. The respondents had different ideas of how to implement the change—some questioned the comprehensiveness of the OC and suggested that it would have been better if the implementation was divided into pieces and others opposed the revolutionary approach and instead proposed gradual steps. However, many respondents felt that a fast pace for the changes was more important than thoroughness.

#### *Building support and overcoming resistance*

The research did not uncover any convincing evidence of attempts to involve employees in the determination of goals, the course of action, time path and intended results of the OC. Although the mid term review showed that 60% of the employees wanted a dialogue, there does not seem to have been one. The review supported the impression of the respondents that the lack of participation affected the level of buy-in among employees in a negative sense. Interestingly, the case presents little evidence for alternative strategies to build support, such as personal attention for the needs and worries of employees, or the celebration of successes. As one top manager said: 'Celebrating successes is very difficult. What counts as success is not likely to be the

same for everybody. In the context of austerity, one's victory is often another's loss'.

Rather than investing in the development and nurturing of support, the leadership consciously chose to implement the OC top down. The implementation had a strong uniform character and was driven by blueprints, templates, procedures, structures, targets, and deadlines. There was limited room for employees to react to the central plan, to develop their own course of action, or to implement changes in a different time frame. Respondents described it as a 'big bang' that strongly focused on the delivery of immediate results. This forceful top-down approach shows that quick wins was more important than winning the hearts and minds of the people involved.

### ***Ensuring top management support and commitment***

Alexandrium is an interesting case because the top management involved in the implementation did not have a track record in the city. The city manager had been appointed in 2012 to lead the biggest reorganization ever executed in the municipality. According to one top manager: 'The new city manager was ordered to break things down. We really needed his power to bring about the desired changes'.

In order to overcome the 'Alexandrium disease of making plans rather than getting things done', the city manager launched a fast-paced, results-oriented implementation plan. The top-down approach marked a major turn-around for most of the management and employees, who were used to the practice of everyone being able to have a say about everything—even when they had nothing to do with a specific issue. Elections in 2014 caused another revolution. Just like the city manager, the incoming council of mayor and aldermen (CMA) was radically different than its predecessor, in terms of political composition and infiltration into the organization.

The empirical evidence indicates that both the political and administrative top management were committed to the reforms. Although the lion's share of the OC had been developed by the previous CMA, the incoming politicians supported it. They formally approved the reorganization plan and took public and political responsibility for the reforms. The city manager and his top management supported the direction and the course of action, but this was not the case for the directors directly below the top management. Both the political and the managerial top management remained in office throughout the implementation; something that most likely contributed to the implementation outcomes.

### ***Building external support***

External players, such as interest groups and unions, have an important role in public sector change. In Alexandrium, the employees' council was a major stakeholder. In order to proceed with the implementation, agreement was needed with the employees' council about a layoff and staffing plan. The relationships between the management and the employees' council had deteriorated during austerity and the employees' council was not inclined to cooperate with the OC. Although agreement was reached with the employees' council, it involved a lawsuit. But the parties sought mediation and the relationship was recovered.

### ***Providing resources***

When the study started, it was expected that gaining sufficient resources for OC during austerity would have been extremely difficult. However, before the OC, the municipality had decided to establish a reserve exclusively for 'friction costs'. Reserve funds covered the costs for laying-off and developing personnel, optimizing processes, and guiding the implementation. Financial statements show that each year around 25 million euro was withdrawn from this reserve. However, using the reserve was difficult. It had to be shown that the costs originated from the OC and that there was no room to solve it without support. If this was indeed the case, the city council had to decide whether to allocate the requested budget. Nevertheless, pressure on staff seriously increased as the implementation continued. Many employees were involved in the implementation of OC, while having to carry out their regular jobs. Respondents present an image of a shop that was open while under construction. Evidence suggests that the additional work, along with the accumulation and pace, affected the morale of many employees.

### ***Institutionalizing change***

To make lasting changes, managers and employees need to incorporate the innovations into their daily routines. Although change implementation is difficult, there are a number of ways to stimulate the embedding of change. Many of the strategies were found that Armenakis and Bedeian (1999) have introduced for reinforcing change were found in the case study city. For instance, the modification of formal structures, procedures and HR practices; the development and pilot testing of innovation, the employment of rites, and the use of feedback to track the progress and commitment to change. Widespread cultural change, however, did not take place, at least not then. It is interesting that the

municipality realized early on that some parts of the OC would require more time ‘especially those referring to culture, attitude and behaviour’.

### *Pursuing comprehensive change*

Fundamental change in behaviour is most likely to occur if public managers make systemic changes to all of the organizational subsystems. Evidence indicates that Alexandrium intended to change the whole organization and dozens of high-impact changes were started simultaneously. The Alexandrium case presents mixed evidence regarding the perceived value of the revolutionary change approach. Many respondents doubted whether the ‘big bang’ was really needed and stated that the radical approach caused a lot of chaos, stress, and work pressure. Other respondents said that the OC would not have been so successful if it had been divided into smaller pieces.

Table 1 summarizes the empirical findings from the research on Alexandrium—not all of the success conditions were fulfilled and some conditions were met in other ways.

### *Exploring catalysts for success*

Change implementation in Alexandrium took place in a context that was highly politicized, contested and

ambiguous. The context was highly politicized because change took place in a competitive climate where politicians were constantly competing for priorities. Numerous respondents argued that politicians interfered much more frequently and more visibly in the change process to accelerate the pace and claim quick wins for personal gains. Various respondents also emphasized the negatively-loaded climate with more winners than losers. More than in regular change events in the city, there was conflict and resistance. Finally, many respondents argued that the implementation of this transformational change was extremely complex because of the diverging and constantly changing perceptions of what was really important.

Documentary and interview data suggests that such a context requires particular activities and behaviours of the implementers, in addition to complying with the generic success conditions. These context-related activities and behaviours are neglected, or at least under-exposed, in mainstream OC perspectives. Three catalysts (‘acts of implementation’) for successful change implementation during austerity can be identified in Alexandrium’s case.

### *Act 1: Accept and use political interference*

The case reveals that austerity-driven change is a complex type of OC that evolves in a highly

**Table 1.** Empirical results against theoretical expectations.

| Success condition                   | Expectations based on theory  | Empirical results in Alexandrium   |
|-------------------------------------|---|--|
| 1. Ensure the need                  | <ul style="list-style-type: none"> <li>Verify the need and persuade employees about urgency and vision of the future</li> <li>Communication is crucial (demystify decision-making, explain process, diffuse rumours)</li> </ul> | <ul style="list-style-type: none"> <li>Shared sense of urgency, but no consensus about future organization</li> <li>Difference between understanding and internalizing need for change</li> </ul>  |
| 2. Provide a plan                   | <ul style="list-style-type: none"> <li>Road map to guide implementation</li> <li>No time for preparations during austerity</li> </ul>   | <ul style="list-style-type: none"> <li>Detailed plans were available; employees did not support the course of action</li> </ul>  |
| 3. Build internal support           | <ul style="list-style-type: none"> <li>Committed employees are crucial, but employee participation during austerity is unlikely</li> <li>Other strategies need to be found to overcome resistance and build support</li> </ul>  | <ul style="list-style-type: none"> <li>No empirical evidence of attempts to involve employees, beside communication strategy</li> <li>Instead a top-down approach was used to produce immediate results (rather than winning the hearts and minds of employees)</li> </ul> |
| 4. Ensure top management commitment | <ul style="list-style-type: none"> <li>Top management support is crucial for change</li> <li>Congruence between politicians and managers</li> <li>Continuity in leadership</li> </ul>   | <ul style="list-style-type: none"> <li>High commitment of top management (both political and managerial)</li> <li>Remained in office during implementation</li> </ul>  |
| 5. Build external support           | <ul style="list-style-type: none"> <li>Develop support from external parties, such as unions, employees’ council, interest groups</li> <li>Relationships often deteriorate during austerity</li> </ul>                          | <ul style="list-style-type: none"> <li>Very bad relationship with the employees’ council (lack of trust, lawsuit)</li> <li>Focus was on keeping things moving</li> </ul>   |
| 6. Provide resources                | <ul style="list-style-type: none"> <li>Gains are preceded by investments</li> <li>No budget available during austerity</li> </ul>   | <ul style="list-style-type: none"> <li>Specific reserve was available for frictions</li> <li>Dedicated change team, but people in the work floor were overstretched</li> </ul>   |
| 7. Institutionalize change          | <ul style="list-style-type: none"> <li>Modifications of behaviour of employees is timely</li> <li>No time available during austerity</li> </ul>   | <ul style="list-style-type: none"> <li>Widespread cultural change did not happen</li> <li>Stimulating strategies have been used (reform of structures, procedures; innovations etc.)</li> </ul>  |
| 8. Pursue comprehensive change      | <ul style="list-style-type: none"> <li>Change of all subsystems is needed to realize transformational change</li> <li>Results have to be achieved quickly during austerity</li> </ul>   | <ul style="list-style-type: none"> <li>All organizational parts have or will be changed</li> <li>Mixed evidence regarding the perceived value of the comprehensive, revolutionary approach</li> </ul>  |

politicized environment continuously competing for priority. Rather than keeping politicians at a distance—which is common in regular OC—they were actively involved. The interviews showed that Alexandrium's success was significantly shaped by the close partnership between the political and managerial top management. The CMA was involved in setting the stage and acquiring political and financial support; whereas the city manager launched a revolutionary approach to change, appointed like-minded managers on key positions, and co-ordinated the implementation with an iron fist.

The intensity of the partnership, however, seems to have made the real difference. The forceful approach of the city manager, for instance, was only possible because it was tolerated and supported by the CMA. Also, to an extent, the CMA was open to pushing the boundaries of political agreements when swift implementation was threatened. In the case of external hiring, for instance, politicians accepted that experts were still hired by the administrators, despite the fact that this explicitly conflicted with political agreements and financial targets. Political interference, on the other hand, was only possible because the city manager accepted and used their contributions, for instance, in co-creating the new organization and the guiding principles for future behaviour or acting as a mediator to restore the relationship with the employees' council.

The first act of implementation focuses on building a tight and meaningful partnership between politicians and managers, by accepting and actively using political interference to bring about change.

### **Act 2: Anticipate resistance to change**

The case discloses that austerity-driven change is a type of OC that is specifically associated with negative emotions, resistance and conflict. Although it is often framed as a positive event (doing more with less), there will likely be more losers than winners. In Alexandrium, change had to be implemented under enormous time pressure: deficits required quick fixes, voter-seeking politicians needed quick results, and the crisis provided a window of opportunity to realize long-desired reforms. More than in regular OC, the implementation of austerity-driven change occurred in an environment of bitterness fuelled by job insecurity, increased work pressure, and declined budgets. The morale of surviving and condemned employees was very low, and many employees were less inclined to co-operate.

The top management was fully aware of the unsupportive context and expected resistance from the beginning. They were convinced, however, that other choices would have resulted in resistance from other parts of the organization. Rather than trying to

develop widespread support, they chose to focus on the delivery of immediate results. The tactics of implementation involved, for instance, the swift realization of a number of irreversible reforms (such as the modification of formal structures, procedures and HR practices) which served as the foundation for the enduring change. These results were presented to the employees as *fait accompli*: people had to choose between accepting them or leaving the organization.

The second act of implementation focuses on the management of resistance by anticipating considerable resistance to change, whatever choices are made. The balance between accepting resistance and building support, however, is likely to vary across organizations depending on the severity of the crisis and the political and managerial ambitions.

### **Act 3: Accentuate multiple aspects of success**

The case shows that austerity-driven change is an indisputable example of transformational change. In Alexandrium, it involved a wide variety of budgetary, structural and cultural changes and implementers accomplished remarkable results in all these areas. Judging success appeared to be extra difficult as members of the organization had different perceptions of the value of each area, the importance of particular criteria to measure success, and the degree to which a certain criterion had been achieved.

The evidence indicates that the accentuation of a wide range of results contributed to the perceived level of success. The implementers in Alexandrium had developed a scorecard to measure success prior to the implementation. Instead of focusing on only a small number of achievements, they formulated 64 indicators to measure success in different areas. They accentuated multiple types of results, from different viewpoints: *inputs* (for example total amount of cuts, reduction of management, harmonization of budgets); *throughputs* (for example specific procedural adjustments); *outputs* (for example specific structural adjustments); and *outcomes* (for example desired levels of customer and employee satisfaction). Such a comprehensive scorecard justified the ambiguity of austerity-driven change and allowed the judgment of achievements. The implementation in Alexandrium did not fail (simply because cultural change did not yet happen) nor did it succeed (simply because budgetary cuts are achieved). It was judged successful because numerous achievements had been realized and others had not been realized, at least not yet.

This third act of implementation focuses on the management of ambiguity by emphasizing the multiplicity of innovative austerity management and accentuating the various aspects of success.



## Discussion

This article addresses a key issue in contemporary public sector management: reforming public organizations in times of austerity. The ambiguity of investing in change when there is no budget, however, raises questions about the ways in which innovative ideas can be turned into reality. Fernandez and Rainey's (2006) determinants were used to create a 'thick description' of change implementation during austerity. Before the study, it was assumed that Alexandrium was successful because the implementation complied with these success conditions. However, the evidence shed a more nuanced light on the success conditions—there was no mono-causal relation between 'complying with generic success conditions' and 'successful implementation of austerity-driven change'.

First, the fulfilment of conditions is often multifaceted and more complex than Fernandez and Rainey suggested. Employees in Alexandrium, for instance, shared the need for change but did not share the ideas for the future organization. Also, support for OC from the top administrators does not automatically imply political support. If found more generally, this suggests a refinement of the first two of Fernandez and Rainey's success conditions.

Second, the case highlights the importance of the context in which change takes place (see Schmidt et al., 2017). When the aim is to produce immediate results, a forceful approach might be more appropriate at the expense of decreased morale and employee dissatisfaction. Successful change implementation is not only a matter of complying with eight static conditions, but also and maybe more importantly of crafting dynamic and changeable acts that fit with the specific context. Three acts served as catalysts to get things done in the highly-politicized, contested and ambiguous context of Alexandrium. This suggests a refinement of the framework, in terms of modifying the success conditions to the context and strategic aims of change.

This article contributes to the literature by examining the implementation of OC during austerity in depth. It is widely accepted that implementing reforms is difficult when there is no budget. The case shows that it is certainly possible to implement austerity-driven OC in a short period of time. The evidence confirms the importance of top managers in municipal austerity management (see Levine et al., 1981). A tight partnership between politicians and management, and their dominant focus on the delivery of immediate results were crucial to move the organization out of inertia and bring about the change.

Given the limitations of the single example and the explorative character of this study, it would be useful to

examine the same research questions in multiple sector public organizations, within or across countries. Future studies might also look at the relevance of the introduced acts of implementation, or develop and test alternative acts for other types of contexts. Finally, research that focuses in great detail on the relationship between resistance and enduring change would be valuable.

## Conclusion

This paper shows that austerity-driven change—when compared to regular OC—evolves in a context that is much more politicized, contested and ambiguous than the literature suggests. Budgets are continuously competing for priority, results have to be realized immediately and resistance to change is omnipresent. Drawing on a thick description of the Alexandrium case, we tentatively conclude that chances of successful implementation of austerity-driven change will increase when specific attention is given to these specific contextual factors, in addition to the generic conditions of successful OC.

Implementers who operate effectively in the context of austerity will accept and use political interference; anticipate resistance to change; and look for multiple aspects of success. Highlighting particular aspects automatically impacts the others. If quick wins are considered essential, then it would be sensible to explicitly prepare for disappointed and disconnected employees. On the other hand, if enduring reforms and winning the hearts and minds of employees are the aim, it may take a while before the first results are visible. Either way, something of value will have to be sacrificed when moving from talk to action.

## Disclosure statement

No potential conflict of interest was reported by the author(s).

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