Cutback Management and the Paradox of Publicness

Cutback management in the public sector poses unique problems. More than 30 years ago, Charles Levine illustrated these problems by discussing the paradoxes of cutback management in public organizations.

Building on Levine’s work on cutback management and developments in publicness theory, the author provides a contemporary perspective on cutback management. He asserts that publicness creates paradoxical tensions in different domains such as organizational goals, employee motivation, and organizational performance. These tensions need to be embraced in both theoretical discussions of and practical engagement with cutback management. Instead of a short-term, reductionist approach to cutback management, a holistic and long-term perspective is necessary.

Charles Levine’s call to study cutback management and organizational decline, issued more than 30 years ago in the pages of Public Administration Review, and to forge a link between the “great questions of political economy and the more earthly problems of managing public organizations” was answered vigorously for a while (Levine 1978, 316). It goes without saying that Levine and his colleagues wrote some of the most insightful and enduring works on cutback management (e.g., Levine 1979, 1980; Levine, Rubin, and Wolohojian 1981a). Levine’s pioneering work also inspired scholars in related disciplines to study organizational decline (e.g., Cameron, Kim, and Whetten 1987; Clark and Ferguson 1983; McKinley 1987; Murray and Jick 1985; Sutton and D’Aunno 1989; Whetten 1980). With time, however, scholarly activity on cutback management in the public administration literature has petered out, with fewer journal pages being devoted to cutback management.

This period of slowdown in scholarship on cutback management now joins an extended recession, a time period that may be characterized as an “era of cutback management.” The issues that public organizations and managers face during this downturn remain as challenging as ever. This essay builds on Levine’s pathbreaking work and on key developments in public organization theory over the last 30 years to provide a contemporary perspective on cutback management. In providing this perspective, there is no presumption of definitive answers to the complex challenges posed by cutback management. Instead, the goal is to raise somewhat inconvenient questions that get swept under the rug to accommodate seemingly more pressing issues. These questions acquire a special significance because public organizations must shoulder the burdens of “publicness.”

This essay is structured as follows: First, Levine’s legacy on cutback management is discussed. Second, an examination of the paradox of publicness—drawing on work on public organization theory (e.g., Bozeman 1984, 1987; Bozeman and Bretschneider 1994; Perry and Rainey 1988; Wamsley and Zald 1973)—depicts the complexity and challenge inherent in public sector cutback management. This is followed by an elaboration of three enduring themes—organizational goals, employee motivation, and organizational performance—that are informed by the publicness paradox and relevant to cutback management. The essay closes with a discussion on the implications of this perspective.

Levine’s Legacy on Cutback Management
Characterizing the depth and breadth of Levine’s scholarship on cutback management is a daunting exercise. Levine defined cutback management as managerial initiatives or interventions in leading “organizational change toward lower levels of resource consumption and organizational activity” (1979, 180). Levine and his colleagues’ work on cutback management covered almost every salient aspect of cutback management in the public sector. The arc of