

Reform fatigue: The effects of reorganizations on public sector employees

Michiel S. de Vries¹

Radboud University Nijmegen

1. Introduction

Reforms in some parts of the public sector have been tumbling over each other in the last decades. This has been well-documented for those two countries for which everything in Public administration is well – documented, i.e. the UK and US. Corby and Simon have recently provided an overview which documented the series of reforms in the UK, where from the Thatcher-government onwards –and even earlier- series of radical reforms intended to make the public sector more efficient were introduced. These reforms were continued by her successor, John Major, resulting in the Private Finance Initiative in the early 1990s, the introduction of semi-private agencies and private sector like benchmarking, as well as crowding out and producer capture. Under the subsequent social-democratic regimes the number of reforms was not reduced, but changed in a different direction, i.e. first into the direction of the so-called third way of Giddens (1998) and later again with a turn towards reforms aimed at downsizing (cf. Corby and Simon, 2011) The same continuation of reforms has been documented for the US, where almost all of the presidents from Hoover through George W. Bush have supported some kind of public sector reform in the executive branch, because they thought that government organizations do not perform well (cf. Kettl & Fesler 2009).

The above does not imply that these are the only two countries in which reorganizations have been as abundant as their documentation. All over the world public sector reform has been visible and frequent (cf. Pollitt and Bouckaert, 2011 and Nolan, 2001 for OECD countries; Weyland, 2007 for Latin America, Beschel et al, 2013 for Middle East countries; Ayeni et al, 2003 and Bangura and Larbi, 2006 for developing countries and Nemec and De Vries, 2012a for reforms in countries in Central and Eastern Europe). It is not surprising that reorganization has been called one of the basic facts of organizational life (Emmerich, 1971, 8).

¹ Prof. M.S. de Vries is full professor and chair of the department of Public Administration, Radboud University Nijmegen, Thomas van Aquinostraat 5, P.O. Box 9106, 6500 HK Nijmegen, The Netherlands. E-mail: m.devries@fm.ru.nl

Most of these reforms had the most magnificent aims. In general, the aims were to make government work better, to save money, to enhance power, or to address a pressing problem (cf. Sistare, 2004). More specifically reforms were addressed to improve service delivery, to strengthen and to create a better society, to achieve better transparency and leadership, to reduce corruption, to engage public sector clients, to reinvent government, to achieve good governance, for establishing deregulation, decentralization, and devolution, to reduce overlap and duplication between programs and to enforce cooperation, to create greater transparency in the delivery of public goods and services to and on behalf of the public, to improve employee satisfaction and performance et cetera. And in abstract terms aiming for Total Quality Management, a hollowed-out state, New Public Management, Good Governance, or a Neo-Weberian State.

However, these reorganizations, defined as “deliberate changes to the structure and processes of public sector organizations with the objective of getting them run better” (Pollitt & Bouckaert, 2011), were not always successful and the goals were not always achieved, to say the least. In the 1980s March and Olsen, 1983, Meijer, 1980, Maynard-Moody, Stull, and Mitchell 1986 pointed already to the disappointing outcomes and the first two equated the history of reorganizations with a history of rhetoric and the latter saw reorganizations as status drama and symbolic events. This has not changed. In the 1990s Thomas (1993) called the empirical evidence of effects of reorganizations complicated. Cuban (1997) labeled reorganizations as “tinkering towards utopia”, and as recently as 2010 Savoie asked the question whether the capacity of the public sector, their decision-making ability and its efficiency have increased because of the sequence of reforms and reorganizations. His answer is a clear “No” (in: Pierre et al, 2010).

Although the author agrees that this criticism in its extreme form is unjustified and some reforms have had the effects as intended, when examining the effects of public sector reform at the institutional or even macro level as described in the literature, the picture is in general somewhat bleak. For instance, looking at empirical data from the World Bank, one can observe that even though reorganizations were carried through in many developing countries in order to improve on good governance, the positioning of these countries on the World Governance Indicators ranking remains highly stable and changes in the ranking in general seem to be determined in the downward direction mainly by civil war and societal unrest or in an upward direction by increased stability (Kaufman,2006). One can thus doubt whether progress is totally induced by reforms within the public sector. Many have argued that this is only one of the determining factors (cf. Collier, 2007).

One may wonder what such ineffective and abundant reforms imply for the people working in the public sector. That is exactly the question posed in this paper. Until now, most scholars only address the institutional and macro effects of reforms, i.e. the changing performance of the organization or the public sector as a whole. This paper will address the micro-effects of public sector reforms, i.e. the impact on public officials' morale. It will first give an overview of the expected effects, as known from the scarce scholarly literature, and will subsequently present some data from the home-country of the author in order to argue that continuous, sequential and even overlapping reforms in the public sector are detrimental for its workforce morale.

2. Micro-effects of public administration reforms in theory

At the micro level, referring to the employees involved in a reorganization such change almost by definition creates uncertainty. It is because of this uncertainty that many authors point to fears, anxieties and resulting resistance to change especially when employees lack understanding of the principles and criteria involved in the changes. From medical literature it even becomes clear that effects of uncertainty caused by large-scale workplace reorganization, on psychological well-being, blood pressure and total cholesterol levels are visible (cf. Pollard, 2001). Pollard concludes that workplace reorganization causes significant increases in distress and in systolic blood pressure and that uncertainty contributes to these effects.

This uncertainty emerges first of all, because reforms often involve a change in the hierarchical relationships by either centralization or decentralization, or because of the creation of new dependency relations by privatizing or deprivatizing departments, or by creating independent agencies, government corporations, or incorporating a new organization within the executive branch (Cf. Thomas, 1993). During reorganizations positions are shuffled around, colleagues even subordinates may become bosses and bosses can be degraded, pushed aside or even fired, resulting in new and unknown relationships. The second way in which reorganizations result in uncertainty is because reorganizations can be seen as a violation of the psychological contract (Argyris, 1960; Schein, 1965; Rousseau, 1995, Wellin, 2007; Sobis and De Vries, 2011). Argyris (1960) first has used this term and defined it as the implicit understanding between a group of employees and their supervisor. He described it as: "A relationship may be hypothesized to evolve between the employees and the foremen, which might be called the 'psychological work contract'. The employee will maintain high production, low grievances etc. if the foreman guarantees and respects the norms of the employee informal culture (i.e. let the employees alone, make certain they make adequate wages and have secure jobs)" (Argyris, 1960). Later on Schein defined the psychological contract as the unwritten expectations operating at all times between every

member of an organization and the various managers and others in that organization... Each employee has expectations about such things as salary or pay rate, working hours, benefits and privileges that go with a job... the organization also has more implicit, subtle expectations that the employee will enhance the image of the organization, will be loyal, will keep organizational secrets and will do his or her best (Schein, 1965). More recently, Denise Rousseau (1994, 1995), redefined the psychological contract as something that essentially exists in each individual's head, as the "individual beliefs, shaped by the organization, regarding terms of an exchange agreement between individuals and their organization" (Rousseau, 1995, p. 9). Wellin perceives the psychological contract as "the actions employees believe are expected of them and what response they expect in return from the employer" (2007: 27). In case of organizational change, a sense of contract violation is likely to occur, resulting in negative impacts with regard to morale, self-esteem, organizational commitment, trust, job security, and productivity, and increased psychological disturbances (Stark et al, 2000).

A second direct consequence of reorganizations is that the personal position and interests of employees may be at stake, resulting in physical, emotional, or psychological strain. This could be caused by cost-cutting changes, adjustments in salaries or benefits, forced use of vacation or even very subtle acts of removing the coffee machine, artwork, limiting office-space, et cetera (cf. www.ExecutiveBlueprints.com) and the threat of firing when the reorganization involves downsizing. Even after the reorganization the effects may still be visible in what is called the survivors' syndrome (cf. Nederland, 1968, who first used it to refer to the survivors of the holocaust). Whereas one could expect that employees that "survived" the reorganization might be grateful and even more productive than before, research points out that they fear for their jobs, have a growing mistrust of the company, have little understanding of what management is doing, or of what their role will be in the company's future (cf. Appelbaum, 1999).

As a consequence of the uncertainty, threats and physical problems amongst employees caused by reorganizations, indirect effects of reorganizations are also likely to occur. Several authors pointed to the probability that reorganizations may affect the work morale, such as shown in pride, public service motivation, affection towards the organization and job satisfaction. This is the case, among other things, because they force employees to shift attention from their daily work to organizational developments and to check whether the reorganization will affect the nature of their work and working conditions. Especially when employees perceive the outcomes of the reform as unjust for themselves, they are more likely to leave their jobs, are less likely to cooperate, show lower levels of morale and higher levels of

work stress and overt and covert disobedience, are more likely to initiate lawsuits, and may even start behaving in anti-social ways (Lind & Van den Bos, 2002).

A second probable indirect effect of reorganizations is found in the inclination of employees to prevent further reorganizations and reforms. One might expect them to show conservatism, or in terms of the rationalities distinguished by Max Weber to adhere more and more to a traditional rationality. Preferring the way things are arranged at present even though further reforms might be advantageous to their organization.

A third probable indirect consequence of reorganizations is that interpersonal relations between public administrators become disturbed. Previous research pointed to the probability that such conflicts are related to characteristics of the context in which people are employed (cf. Waite Miller, Malis & Roloff). Important for our research is that it was pointed out that especially hectic and dynamism in the work environment are causes of interpersonal conflicts (Marcellisen, 1988). Furthermore, if there are large power differences it becomes harder to arrive at solutions and conflicts are more persistent (Kriesberg, 1993). This is especially the case when dominant positions are in dispute and ambiguous (Smyth, 1994), when power shifts occur, or otherwise fundamental changes take place in the context (Putnam & Wodolleck, 2003), and especially if the workplace is perceived as chaotic (Crocker, Hampson & Aall, 2004). Especially reorganizations may have the side-effect that they result in a division within the organization between people who profit from and people who are disadvantaged by the change. As said above, reorganizations may result in (temporary) uncertainty and ambiguity about the new situation and consequently result in behavioral mistakes by individual public officials, which in turn can be interpreted by others as resistance to the new situation the newly established hierarchy, thus resulting in an interpersonal conflict between public officials.

3. Empirical indicators for the side-effects or reorganizations

This section presents some empirical indicators that the expected negative effects of reorganizations are not just theory, but are seen in reality. This part of the paper is based on previous research by the author as presented in papers for subsequent IASIA and IIAS conferences.

3.1.A distinction between provinces and municipalities

In the previous section it was concluded that the emergence of conflicts depends on characteristics of the contextual level in terms of a hectic, dynamic environment in which power relations are ambiguous, or a relatively stable organization. These two types of organizations are indicated by Dutch municipalities (local government) and provinces (regional government) respectively. The both organizations have

formally similar functions in terms of their responsibility and autonomy in policy making and are relatively autonomous in deciding whether or not to develop policies for specific problems in specific areas. Often, the two levels overlap and the two organizations interfere simultaneously in policy areas. The formal difference between the two is mainly a matter of scale, i.e. localities versus regions. Nonetheless, in practice municipalities are the more hectic contexts and provinces the more stable contexts. This requires some explanation.

A variety of administrative changes have been imposed on municipalities and less on provinces over the past 20 years. These include decentralization processes in which more (implementation) tasks were assigned to the municipalities at the end of the 80s; Municipalities have also suffered much more under budget cuts in the early nineties and recent years. Municipalities were also forced into a series of reorganizations involving structural changes from the so-called secretariat model, through the public service model, to a so-called tilted organization. Furthermore, municipalities were faced with experiments in referenda, experiments with an elected mayor, mergers resulting in the decrease of the number of municipalities with one-third from 672 in 1990 to 416 nowadays, and administrative renewal starting in 2002 when a single-tier system changed into a two-tier system, by which the distance between the board of alderman and the municipal council was increased, as well as with processes of (re) centralization, and threats of financial deficits.

Provinces in comparison did hardly experience such changes. Their total number of 12 has long been stable, their range of statutory duties is much less than in municipalities and has in recent years - besides youth care - hardly changed. Dualism was also introduced in the provinces, but with much less impact than in municipalities. Provinces hardly had to deal with various administrative experiments.

Based on these differences one would expect the uncertainty and feelings of being threatened to be more widespread within municipalities than within provinces and the mentioned indirect effects of reorganizations to be visible especially amongst public officials working in the local government and less amongst public officials working at the provincial level. And as the previous research of the author pointed out this is indeed the case. That research is based on survey-research.

4. The data

The results are partly based on a repeated survey among local administrators and politicians conducted by the author within the framework of an international research project called "Democracy and Local governance" and partly based on a huge survey among all public officials conducted every two years by the Dutch ministry of home-affairs called the Personnel and Mobility Monitor (MWM2, 2010). The specifics of the two surveys are given in Box 1 and Box 2.

Box 1. The Democracy and Local governance project

This international comparative project began after the events of the late 1980s in Eastern Europe. In all the countries involved, 30 communities comprising between 25,000 and 250,000 inhabitants were selected at random. Within each of these communities about 15 political leaders and 15 leading officials were interviewed, resulting in a database of over 15,000 respondents. This project has been repeatedly conducted in over 20 countries and responses are available for approximately 13,000 local politicians and officials (Jacob, Ostrowski & Teune, 1993). In the Netherlands the first round was organized by Derksen (see Eldersveld, Strömberg & Derksen, 1995), and the last four rounds by the author of this paper.

The interviews/questionnaires were standardized in order to make valid comparisons possible. It produced a large-scale survey on the background and opinions of local elites in a large number of countries in the northern hemisphere. (See among others Jacob et al., 1993).

The data from the Netherlands consist of five identical surveys, conducted in 1989, 1995, 2000, 2005 and 2011. The respondents were the leading local politicians and administrators in 30 Dutch municipalities. The questionnaires were sent by mail after consultation with the chief public administrator and the mayor. The remainder of this study centers on the outcomes of these surveys and the tendencies visible in the 20 years under investigation. We first took a random sample of municipalities with a number of inhabitants between 25,000 and 250,000. Because of the changing size of municipalities and the mergers that had occurred, we could not make a further selection between cities with fewer than 25,000 inhabitants, those with between 25,000 and 99,000 inhabitants, and those with above 100,000. Most municipalities in the Netherlands have between 25,000 and 150,000 inhabitants and the largest cities – Amsterdam, Rotterdam, The Hague and Utrecht – were excluded from the sample.

The study material is unique because it allows different types of analysis. Firstly, it is able to do comparative research, because comparable data are available on a number of countries in Eastern and Western Europe on three dates.

Secondly, multi-level analysis possible, i.e. research that is able to explain phenomena by using individual level data, organizational characteristics and features of the region, country or even group of countries. Thirdly, the material is unique because the respondents in this study consist of both politicians and officials. Theories about the differences and similarities between these two groups of actors are central in public administration (cf. De Vries, 2008).

In the Netherlands the same survey was also conducted at the provincial level, among provincial politicians and officials in 2003, 2007 and 2011.

The surveys in municipalities, conducted in 1989, 1996, 2000 and 2005, and 2011 had 305, 423, 283, 339 and 208 respondents respectively. The political respondents were the senior politicians, the leaders of political parties, the aldermen and the mayor. The administrative respondents were the town clerks, the members of the board of directors and the department heads. The response rate for the 1996 sample was 60 per cent, for the 2000 sample 45 per cent, for the 2005 sample 35 per cent and for 2011 30 per cent. The questionnaire for the provinces the response was 254 in 2003, 285 in 2007 and 116 in 2011.

All these respondents were given an identical questionnaire, containing questions on the perception of the seriousness of policy problems (including public integrity), the degree of policy effectiveness, their perception of local autonomy, their personal influence in policy areas and their contacts within and outside the municipality and provincial government respectively. A battery of questions was presented about their beliefs and values, and a number of questions about public participation, the role of political parties, as well as questions about their personal background such as their age, education, position and work.

Information on the project and the database is found at <http://www.ssc.upenn.edu/dlg/>

Box 2. Personnel and Mobility Monitor (MWM2, 2010).

The data material used for testing the six hypotheses consists of a survey of which the data were collected in 2010 by the Dutch Ministry of the Interior and Kingdom Relations in the so-called Personnel and Mobility Monitor (MWM2, 2010). All sectors of government are involved in the sample of 80,000 employees, of which 26,876 completed the questionnaire. This has resulted in a response rate of 34%, varying by sector between 27% and 38%. The characteristics of the Dutch public sector and the sample with the corresponding response rates are presented in Table 2.

A control group consisting of 2586 respondents from the private sector (ranging from Agriculture and Fisheries, Industry, Trade and Construction of Health and welfare) with a response rate of 42% also filled in the questionnaire. This control group was included in the analysis as part of the analysis. The questionnaire the sample in the public sector and private sector has received consists of clusters of questions. In these clusters, respondents answered questions about their personal background, the content of their jobs, mobility and employability within the organization, job satisfaction, working conditions, opinions about public service motivation, performance related interviews with managers and the degree of integrity of their colleagues. A number of questions from the questionnaire were used for this study. The indicators for the variables from the six hypotheses are shown in Table 3. The indicators are the questions as asked in the survey.

Table 2: Sample statistics

	Population	Sample	Response	Response (%)
<i>Total</i>	855454	80000	26876	34
<i>Governments</i>	288865	28500	10596	37
Central government	116280	10000	3841	38
Local government	148933	9000	3354	37
Provinces	11098	4000	1383	35
Judicial sector	3393	1500	562	37
Water boards	9161	4000	1456	36
<i>Education and science</i>	438911	38500	12414	32
Primary	162131	9000	2953	33
High school	88574	8000	2990	37
Lower level high school	47446	5000	1553	31
Higher technical education	35345	5000	1612	32
Universities	45181	5000	1469	29
Research institutes	2152	1500	409	27
University Medical Centers	58082	5000	1482	29
<i>Security</i>	127678	13000	3866	30
Defense	67879	7000	1980	28
Police	59799	6000	1886	31

Source: MWM2, 2010, p. 22

Information on this project can be found at

<http://www.arbeidenoverheid.nl/media/76045/factsheet%20pm%20-%20dec%202011.pdf>

5. Outcomes

5.1. Uncertainty and morale

The Personnel and Mobility Monitor was used to find out whether there is in general a relation between uncertainty and morale as we expected above. Such relations were indeed found using simple correlation analysis. The respondents were asked whether they are certain they can keep their present job. Those officials in doubt, show - compared to their colleagues who are certain they can keep their jobs - less job satisfaction, less satisfaction with the organization they are working for, they are less positive about politicians and politics, show less public service motivation, are more critical about the performance of their colleagues, feel less affinity to their organization and show less pride in their work. All these relations are statistically significant at 95% (Borst, Lako and De Vries, 2013). These results imply that the negative side-effects of reforms as found earlier in the literature on reforms in the private sector, also apply to reforms in the public sector.

5.2. Dynamic organizations and interpersonal conflicts

The analyses on the Democracy and Local Governance project were used to investigate whether the uncertainty due to reforms and reorganizations does impact interpersonal relations amongst employees, i.e. increases the probability of interpersonal conflicts (cf. de Vries, 2010). It was found that conflicts in Dutch provinces and municipalities are frequent. 45% of all respondents mentioned that there are such conflicts in their organization. We also asked the respondents to describe the major conflicts, as an open question. On the basis thereof we were able to distinguish between interpersonal and substantive conflicts. The outcome of the content-analysis on the municipal level showed that at the local level 40.2% of the mentioned major conflicts involve interpersonal conflicts, with a peak in 2000 when even more than half of the major conflicts at the municipal level was judged to be interpersonal. At the provincial level, however, on average only 18.3% of the main conflicts mentioned are judged to be interpersonal, a percentage which is decreasing from 25% in 2003 through 17.8% in 2007 to 10.3% in 2011. The vast majority of conflicts at the provincial level is related to conflicts over policy issues and conflicts between the province and other organizations. This difference is significant ($F = 104.9$, $T = 11.4$ $p < 0.000$, $df = 563$). Furthermore we asked about the seriousness of these conflicts: “
On average two thirds of the conflicts were judged to be seriously interfering with policy development. Although government is expected to be faced with conflicts, because policymaking involves power and interests, the huge percentage thereof that is judged to be due to failing interpersonal relations within

municipalities is striking, and although many a municipality experiences some kind of social conflict, the survey did not show a dominance of a particular type of social conflict. In the last survey held in 2011 the top two of social conflicts are those induced by educational differences and those caused by differences in political views (respectively mentioned by 15% and 20% of the respondents). These percentages are, however, negligible compared to the interpersonal conflicts within city hall as mentioned by 42% of local administrators and politicians.

From that research it could be concluded that there are indeed huge differences between the relatively stable provinces and the dynamic local governments in terms of the nature of conflicts. The results of that study indicate that in relatively dynamic organizations that are characterized by continuous change and ambiguity (as in Dutch municipalities), the likelihood of interpersonal conflicts is indeed significantly larger than in relatively stable organizations (such as Dutch provinces).

5.3. Dynamic organizations and conservatism

A second investigation was conducted on the Democracy and Local government data, investigating whether Local and Provincial public officials differ in their views which level – national level, provincial level or local level – should have prime responsibility for 15 distinguished policy areas (Venner & De Vries, 2012).

In this research we did distinguish between the four rationalities distinguished by Weber, i.e. purposeful or instrumental rationality where the actors goals are rationally “pursued and calculated.”, value rationality based on ethical, aesthetic, religious or moral motives, affect rationality based on feelings or emotions and traditional rationality, determined by what could be called ingrained habituation.

Applying these rationalities to the preference of public officials to have the local or regional government to have the prime responsibility for taking action in different policy areas, one could theorize that from the substantive dimension of purposeful rationality one might expect that if a public official judges that effective policies can be made at a governmental level he or she would also prefer to have the prime responsibility to be given to that layer. That would be best for the policy area involved.

From the strategic dimension of purposeful rationality one would expect the public official to prefer the prime responsibility for policy areas to lie at the level where he or she is working, especially when he or she is directly involved in this policy area.

From a value rationality one could argue in the classic meaning of the conceptualization of values that it is to be expected that general attitudes in favor of decentralization determine one’s position also towards giving the prime responsibility to either the provinces or municipalities in the case of a specific

policy area. The value-rationality hypothesis would expect that people who support the arguments in favor of decentralization in general would also prefer the prime responsibility on policy areas to lie at the local level, whereas opponents in general would also oppose such decentralization in specific cases. From an affect rationality one would expect that people who identify themselves most with their municipality would also prefer the prime responsibility for policies to be given to the municipal level. From a traditional rationality one would expect public officials to prefer things to stay as they actually are. Hence, when the prime responsibility for a policy area is actually in the hands of municipalities one would prefer this to remain so, and when the province is at present the prime actor for a policy area, the province is therefore preferred to be the prime responsible actor.

The analysis we did on the opinions of public officials in local and provincial government showed that especially the actual autonomy of local governments is a strong explanation for the views on which governmental level should have the prime responsibility for policy areas. If a policy area is already the prime responsibility for local government, public officials on this level state that this should stay this way. Administrators as well as politicians at the local level feel that the existing division of responsibilities should not be changed as far as the local level is concerned.

Bivariate analyses pointed out that all rationalities have a significant impact on the opinions about decentralization. However, conducting a multivariate regression analysis, taking all independent variables simultaneously into account and controlling for each separate factor's influence, pointed out that only two rationalities dominate: Strategic arguments, in which it is crucial what decentralization would imply for an officials' position and for the organization he or she works in, and traditional rationality. Whereas provincial officials showed more strategic rationality, especially local public officials seemed to prefer arrangements as they are and just don't like to change existing arrangements. Substantial rationality, value rationality and affect rationality are according to these findings much less important in explaining preferences for decentralized and centralized responsibilities. This implies that in organizations which are in constant flux the stakeholders, employees, public officials tend to trade in their purposeful, value and affect rationality for traditional rationality. They seem to become fearful for yet another change in intergovernmental relations impacting on the structure of their organization. In more stable organizations, such as in our case the provinces, such traditional rationality is a weaker predictor of opinions on where the prime responsibility for policy areas should lie. Their opinions are better predicted by strategic arguments.

6. Discussion

This paper argued that there might be something like reform fatigue. Especially in public organizations having experienced multiple reforms and reorganizations, employees tend to be fed up with the possibility of yet another transition. From the literature it is known that reforms often do not accomplish what was intended. The goals as formulated are often not achieved. This paper argued that there are side-effects of such reforms that do occur and these are not positive. Because of repeated reforms public employees tend to lose morale, pride, and their public service motivation and tend to become more critical towards their work, their colleagues and their organization. Furthermore, they are inclined to trade purposeful, affect and strategic rationality for traditional rationality and to become conservative. Last but not least, the number of interpersonal conflicts is likely to increase because of too much dynamics in an organization. That these effects do indeed occur was argued based on previous research in the dynamic Dutch municipalities and the more stable Dutch provinces.

All these outcomes do not imply that we should relinquish reforms. Sometimes it is inevitable. Many have advocated that the way such reforms are handled is crucial and can prevent a lot of the problems mentioned (cf. Kotter, 1996; March & Olsen, 1983). However, the recommendations such authors make are based on the assumption of reforms as single events and do not address the problem of sequential, repeated reforms, sometimes even tumbling over each other as was the case with Dutch municipalities in the last two decades. Especially those repeated events seem to suffer under the negative side-effects. Therefore one can dispute the consequences of the adage of Olsen and Mazmanian and Sabatier (1989) that non-incremental reforms do not work. Incremental reform implies continuity of change, i.e. continuous pain and uncertainty. This paper suggests it might be preferable to get such reforms over and done in a very short period, although it is acknowledged that sudden dramatic reforms might fail also, even if they are carefully planned (Maranto, 2002).

All this suggests that public sector reforms can be seen as gambles in which organizations within the public sector are put at stake. If the reform succeeds, there is added value, but - as we argued in this paper - if it doesn't there will be a loss, probably even higher than the expected gains from reforms. Statistical reasoning on gambling recommends "Don't do it". Even if you try repeatedly and even if you double the stakes every time you lose, you are still bound to lose in the end. This is called gamblers' ruin. Losses can only to be avoided, if you gamble as little as possible. This is not a conservative point of view. This paper argued the opposite, namely that one of the side-effects of too much reform is increased conservatism among the people involved, which is the last thing we need.

7. References

- Appelbaum, S. H., S. Lavigne-Schmidt, M. Peytchev, B. Shapiro, (1999). Downsizing: measuring the costs of failure, *Journal of Management Development*, Vol. 18 no. 5: 436 - 463
- Argyris, C. (1960). *Understanding Organisational Behaviour*. Homewood, Illinois: The Dorsey Press Inc.
- Ayeni, V. (ed.) (2002). *Public Sector Reform in Developing Countries: A Handbook of Commonwealth Experience*, London: Commonwealth Secretariat.
- Bangura, Y & G.A. Larbi, (2006). *Public Sector Reform in Developing Countries: Capacity Challenges to Improve Services*, New York: UNRISD.
- Beschel, R.P., T. Yousef, K. Al-Yahya (2013). *Public Sector Reform in the Middle East and North Africa: The Lessons of Experience*, World Bank.
- Borst, R. C.J. Lako & M.S. de Vries (2013). *Pride in the Dutch public sector*, paper to be presented at the IIAS/IASIA conference, Bahrain, Forthcoming.
- Bos, K. van den & Lind, E. A. (2002). Uncertainty management by means of fairness judgments. In M. P. Zanna (Ed.), *Advances in experimental social psychology* (Vol. 34, pp. 1–60). San Diego, CA: Academic Press.
- Collier, P. (2007). *The Bottom Billion: Why the Poorest Countries are Failing and What Can Be Done About It*. Oxford, Oxford UP.
- Corby, S. & G. Simon (2011). *Working for the State*. New York : Palgrave Macmillan
- Crocker, C.A. F.O. Hampson & P. Aall (eds) (2004). *Taming intractable conflicts: mediation in the hardest cases*, Washington, Institute of Peace press 2004.
- Eldersveld, S.J., L. Strömberg and W. Derksen (1995). *Local elites in western Democracies*, Boulding, Westview Press.
- Emmerich, H. (1971). *Federal Organization and Administrative Management*. University: University of Alabama Press.
- Giddens, A. (1998) *The Third Way: The Renewal of Social Democracy* Oxford: Blackwell.
- Jacob, B.M., K. Ostrowski, H. Teune (1993). *Democracy and Local Governance, Ten empirical studies*, Matsunaga Institute for Peace, Hawaii.
- Kaufmann, D., A. Kraay and M. Mastruzzi (2006). Measuring Governance Using Perceptions Data. In Susan Rose-Ackerman (ed.), *Handbook of Economic Corruption*. Edward Elgar.
- Kettl, D.F. and J.W. Fesler (2009). *The Politics of the Administrative Process*, 4th ed. Washington, D.C.: CQ Press.
- Kotter, J.P. (1996). *Leading change*. Harvard: Harvard Business Press.
- Kriesberg, (1993). *Intractable conflicts and their transformation*. Syracuse, Syracuse UP.
- Marcellissen, FHG, A.M. Winnubst, B. Buunk, and C.J. de Wolf (1988). Social Support and Occupational Stress, *Social Sci. Med.* Vol. 26: 365-373.
- Maranto, R. (2002). Praising Civil service but not bureaucracy. *Review of Public Personnel Administration* Vol. 22: 175-192
- March, J. G. and J.P. Olsen. (1983). Organizing Political Life: What Administrative Reorganization Tells Us About Government. *American Political Science Review*, 77: 281-96.
- Maynard-Moody, S., D.D. Stull & J. Mitchell (1986). Reorganization as Status Drama: Building, Maintaining, and Displacing Dominant Subcultures. *Public Administration Review*, 46:301-31.
- Mazmanian, D and P. Sabatier (1989). *Implementation and Public Policy*. Lanham MD: UP
- Meier, K. J. (1980). Executive Reorganization of Government: Impact on Employment and Expenditures. *American Journal of Political Science*, 24:396-412.
- Nemec, J. & M.S. de Vries (eds) (2012a). *Public Sector Dynamics in Central and Eastern Europe*, Nispacee publishers, Bratislava, forthcoming

- Nemec, J. & M.S. de Vries (eds) (2012b). *Global Trends in Public Sector Reform*. De Boeck publishers. Brussels (forthcoming)
- Nolan, B. (2001). *Public Sector Reform: An International Perspective*. New York: Palgrave
- Pierre, J. & P.W. Ingraham (ed) (2010). *Comparative administrative change: lessons learned*, McGill-Queen UP.
- Pollard, T. (2001). Changes in mental well-being, blood pressure and total cholesterol levels during workplace reorganization: The impact of uncertainty, *Work & Stress: An International Journal of Work, Health & Organisations*. Vol. 15. No. 1: 14-28
- Pollitt, C. G. & G. Bouckaert. (2011). *Public Management Reform: A Comparative Analysis*. Oxford University Press.
- Putnam, L. L., & Wondolleck, J. M. (2003). Intractability: Definitions, dimensions and distinctions. In R. J. Lewicki, B. Gray, & M. Elliott (Eds.), *Making sense of intractable environmental conflicts: Frames and cases*. Washington, DC: Island Press.
- Rousseau, D. M. (1995). *Promises in action: Psychological contracts in organizations*. Newbury Park, CA: Sage.
- Rousseau, D.M. (1994). Two Ways to Change and Keep the Psychological Contract: Theory Meets Practice. *Executive Summary for the International Consortium for Executive Development Research*: Lausanne.
- Sistare, H. (2004). *Government Reorganization: Strategies and Tools to Get It Done*. IBM Center for the business of Government.
- Smyth, L.F. (1994). Intractable Conflicts and the Role of Identity, *Negotiation Journal*, Vol. 10 no. 4: 311-321.
- Sobis, I. & M.S. de Vries (2011). The Social Psychology perspective on values and virtues. Pan Suk Kim and Michiel S de Vries (editors) *Value and Virtue in Public Administration* Palgrave.
- Stark, E., L. Thomas, P. Poppler (2000). Can Personality Matter More Than Justice? A Study of Downsizing and Layoff Survivors in the USA and Implications for Cross Cultural Study: paper presented at the 2000 International conference Prague.
- Thomas, C. W. (1993). Reorganizing Public Organizations: Alternatives, Objectives, and Evidence. *Journal of Public Administration Research and Theory*, 3(4): 457-86.
- Treisman, D. (2007). *The Architecture of Government: Rethinking Political Decentralization*, Cambridge UP
- Tyack, D. & L. Cuban (1997). *Tinkering toward Utopia: A Century of Public School Reform*. Harvard: Harvard UP.
- Venner, J. & M.S. de Vries (2012). *Decentralization in the Netherlands: Practices and opinions on decentralization in a decentralized unitary state*, paper for the annual IASIA conference Bangkok 2012
- Vries, M.S. de (2010). *War inside public administration: Interpersonal conflicts in Dutch municipalities and provinces* Paper for the Annual Conference of the International Association of Schools and Institutes of Administration, Bali Indonesia, July 2010
- Waite Miller, C., M.E. Roloff & R.S. Malis (2009). Understanding Interpersonal conflicts that are difficult to resolve: A review of the literature and presentation of an integrated model. In C.S. Beck (ed) *Communication Yearbook 31*, Taylor & Francis, New York, pp. 118-173
- Wellin, M. (2007). *Managing the Psychological contract. Using the personal Deal to increase business performance*. Farnham. Gower, publ.
- Weyland, K.G. (2007). *Bounded Rationality and Policy Diffusion: Social Sector Reform in Latin America*. Princeton: Princeton UP.