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Structural reform histories and perceptions of organizational autonomy : do senior managers perceive less strategic policy autonomy when faced with frequent and intense restructuring?

Structural reform histories and perceptions of organizational autonomy: do senior managers perceive less strategic policy autonomy when faced with frequent and intense restructuring?

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Abstract: Through recurrent structural reform programs governments continue their quest to design public organizations that will stand the test of their environments. One of the approaches to uncertain or sensitive issues has been to create various forms of (semi)autonomous organizations with substantial strategic discretion. However, while governments repeatedly experiment with designs, one might simultaneously expect that such interference through repeated structural change may limit the degree of strategic policy autonomy perceived by senior managers. More specifically, we propose that intense structural reforms may inadvertently reduce strategic policy autonomy perceptions through two mechanisms. First, intense sequences of structural reforms may lead to perceptions of relatively controlling political principals. Second, they may reduce an organization's ability to accrue resources beneficial to autonomy, such as a strong internal culture, network embeddedness and expertise. Results indicate that strategic policy autonomy perceptions will indeed be detrimentally affected for organizations that experience intense sequences of structural reform.

Keywords: autonomy; structural reform; strategic policy autonomy; organizational history; public sector reform

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1. Introduction

Across the globe, governments have engaged in the creation of autonomous organizations in order to streamline the public sector. The rise of New Public Management (NPM) styles of governing − which entailed the belief that governments should operate more akin to private sector businesses in order to be efficient and effective − provided a strong impetus for this development. Although its implementation differs per country (Torres, 2004), common NPM tenets include the agencification of public administrations and the introduction of performance measurement to allow for control on results instead of procedure (Kickert, 2001; Smullen et al., 2001; Torres, 2004), providing organizations the autonomy required to deliver services as they see fit (Majone, 1997a). Despite increasing skepticism regarding the fruits of NPM and the devolution of tasks to autonomous entities, the agency form remains relevant and continues to diffuse in one way or another across capitalist economies (Jordana et al., 2011). Today, granting an organization autonomy continues to be a widely used tool, both to stimulate effective policy implementation and to shield organizations from interfering political forces (Lewis, 2004; Dommett & Skelcher, 2014; Ensser-Jedenastik, 2015).

However, research has demonstrated that providing an organization with formal autonomy (e.g. by designing it as a separate legal person) does not necessarily equate to the organization having an autonomous position in practice (Verhoest et al. 2004; Maggetti, 2007; Yesilkagit & Van Thiel, 2008). Other conditions, including slack resources, expertise, information asymmetry, tasks, organizational size and inclusion in (supranational) policy networks have also been suggested or observed as predictors of *de facto* autonomy (Majone, 1997b; Verschuere, 2006: 178-179; Maggetti, 2007; Groenleer, 2009: 34-35; Egeberg & Trondal, 2009; Yesilkagit, 2011; Bach, 2012; Van Thiel & Yesilkagit, 2014; Maggetti and Verhoest 2014; Bach et al., 2015; Zito, 2015).

Furthermore, the influence of long-term factors such as culture, age, learning, coalition-building and institutionalization have increasingly been studied in the context of autonomy (Maggetti, 2007; Zito, 2015). However, a perspective that studies organizational histories of structural reforms and their influence on the perceptions of individual senior-level managers remains lacking. This contribution aims to add to our knowledge on the long-term determinants of autonomy by investigating whether perceptions of strategic policy autonomy – an important, far-reaching dimension of autonomy, encompassing the ability of the organization to decide on its overarching goals and direction – may be altered by histories of imposed structural reforms.

We propose that senior managers, when confronted with severe and frequent structural reforms imposed by their political superiors, will perceive their ability to set strategic goals to be limited, as they believe political principals to be heavily engaged in determining the direction of the organization for them. Simultaneously, organizations in continuous flux with regard to tasks, structure, principals and client groups will likely find it more difficult to maintain and build up stable cultures, identities, expertise, external network ties and reputations (Carpenter & Krause, 2012). This may detrimentally affect the amount of resources available to maintain the organization's autonomy and may reduce its ability to accrue such resources. In this context, structural reforms are defined as externally imposed changes that alter organizational boundaries in terms of units included, alter tasks attributed to the organization and/or alter the structural embeddedness of the organization in the wider public sector (i.e. legal form and the ministerial portfolio in which the organization is positioned) (MacCarthaigh & Roness, 2012; Lægreid et al., 2010).

By testing the aforementioned propositions, we contributes to the dynamic and relational perspective into the study of organizational autonomy (see Maggetti & Verhoest 2014), a burgeoning section of the literature attempting to determine to what extent perceived autonomy is a function of an organization's experiences with political principals and other

environmental actors during its lifetime (see also Carpenter, 2004; Zito, 2015; Ossege, 2015). Moreover, the study complements existing work on *de facto* versus formal autonomy by zooming in on the senior manager perceptions. As strategic directions are largely set out by senior-level managers, a focus on individual-level processes and how these determine *de facto* autonomy is essential (Korinek & Veit, 2015).

Exploring the relevance of structural reform histories is important given the large quantities of structural reforms introduced in public sectors over the past decades (March & Olson, 1983; Pollitt, 2007). Varying reform doctrines, macro-level crises (e.g. the financial crisis), technological and social developments and changing public demands all lead to high frequencies of structural reforms. Determining how perceptions of strategic policy autonomy are shaped in the long-term by the structural reforms imposed by political principals is therefore necessary to increase our understanding how reforms may bring about unintended and unexpected side-effects (Pollitt, 2007). If governments attempt to create a certain degree of strategic policy autonomy through organizational design, but this is subsequently undermined by the cumulative effects of repeated structural reforms, it is vital for governments to know why their design choices have not led to the desired outcome.

Using data from the Belgian State Administration Database (BSAD), which comprehensively maps the structural reforms experienced by public organizations in the Belgian region of Flanders between 1990 and 2015, we could construct a measure of the structural reform histories experienced by Flemish public organizations. This is combined with data on senior manager perceptions of strategic policy autonomy, gathered for Flemish public organizations in the context of the international COBRA project. This combination provides us with a unique dataset that allows us to test the overarching relationship between structural reforms and strategic policy autonomy, while controlling for several other factors, although data limitations restrict us to theoretical statements on underlying causal mechanisms.

The data, methodology and findings are presented respectively in sections 3, 4 and 5, and a discussion of our findings is subsequently presented in section 6. Before turning to the analyses, however, we first explore the relevant theoretical underpinnings in section 2.

2. Theoretical Framework

2.1. Conceptualizing strategic policy autonomy

The increasing interest of governments in creating autonomous agencies spurred the interest of public administration scholars in the early 2000's, who have since devoted substantial attention to the nature and role of organizational autonomy. Verhoest et al. (2004) asserts that organizational decision-making autonomy consists of two distinct dimensions, one encompassing managerial affairs and the other encompassing policy development and implementation (Verhoest et al., 2004; Groenleer, 2009; Busuioc et al., 2011; Bezes & Jeannot, 2017). The policy autonomy dimension may be subdivided into operational policy autonomy and strategic policy autonomy. Where the first of these sub-dimensions refers to discretion on the instruments and procedures used to implement a given policy, the second sub-dimension – the primary focus of this contribution – refers to the ability of an organization to decide on its own strategic goals and course. Strategic policy autonomy can in some ways be seen as the most far-reaching and important type of organizational autonomy, as its presence allows an organization to determine its own mission and societal function, instead of being a passive implementer of strategies created on the political level (Verhoest et al., 2004). Granting a substantial degree of strategic policy autonomy is simultaneously controversial, as it implies only limited degrees of control from political principals, even on system-level policy choices (Kickert, 2010). An organization placed at arms-length and with the ability to take strategic policy decisions may therefore be argued to undermine direct democratic scrutiny of the policy-making process.

Notwithstanding potential control and accountability issues, granting an organization a degree of strategic policy autonomy can serve various purposes. A high degree of strategic policy autonomy e.g. allows an organization to judge, on the basis of its expertise, what the priority goals in its task environment are (Majone, 1997a), or allows it to collaborate with private parties in order to steer the organization's direction. Such discretionary space can aid in making an organization and the policy it produces adaptable in the face of complex, rapidly changing environments, which are difficult to regulate through classic command-and-control legislation. Such effectiveness arguments have accordingly been seen as important justifications for the delegation of policy-making powers to executive organizations without direct democratic legitimation (Kickert, 2010). Moreover, some strategic choices, e.g. with regard to monetary policy, may be considered to be unsuitable for political involvement (Dommett & Skelcher, 2014; Ennser-Jedenastik, 2015), as short-term priorities and political incentives may lead to biased outcomes and credibility issues (Majone, 1997a; Majone, 1997b; Maggetti, 2007). Simultaneously, an organization's strategic policy autonomy is relatively susceptible to outside influences due to the visible nature of strategic policy decisions, versus for instance managerial or implementing policy decisions. Thus, examining the impact of structural reforms on strategic policy autonomy is not only highly relevant, but this sub-dimension of autonomy is also relatively likely to be affected by factors such as imposed structural reforms.

Beyond studying the various substantive dimensions of autonomy, researchers have developed the crucial insight that an organization's formal level of autonomy, as determined for instance through founding laws or performance agreements, does not necessarily equate to the *de facto* level of autonomy as perceived by organizations (Verhoest et al. 2004; Yesilkagit, 2004; Maggetti, 2007; Busuioc et al., 2011; Korinek & Veit, 2015; Bezes & Jeannot, 2017). Instead, *de facto* autonomy is also shaped by an internally developed logic of appropriateness,

determining the organization's perception of what actions are normatively acceptable and desirable (March & Olsen, 2009), as well as rational calculations of the consequences of their actions for stakeholders. This insight implies that an organization's autonomy on a given dimension is not merely determined by formal 'hardwiring', but is also a function of environmental and organizational antecedents (Verschuere, 2006: 175-180).

A senior manager's perception of strategic policy autonomy is thus shaped by a combination of formalized rules and procedures, as well as informal interactions, naming and shaming and sanctions beyond those included in formal accountability mechanisms (Korinek & Veit, 2015). As strategic actions are mostly decided upon at the senior manager level, it is arguably the perceptions of senior managers that contribute most to the degree of *de facto* strategic policy autonomy of public organizations (Korinek & Veit, 2015). Moreover, as the *de facto* levels of strategic policy autonomy perceived by senior managers do not necessarily equate to the level formally attributed to the organization, the strategic actions taken these managers may inadvertently differ from what was originally intended by policy-makers designing the organization.

The following subparagraphs will elaborate on two mechanisms through which structural reforms may influence senior manager perceptions of strategic autonomy, one operating through perceptions of control, while the other is based on an organization's resources. While we are limited to theoretical statements on these mechanisms, they form important propositions for future research, and essential links between our independent and dependent variables.

2.2 Perceptions of control and structural reforms

One important avenue for governmental control of a public organization's strategic direction is organizational design. Ministers, their cabinets and parliamentarians, confronted

with societal pressure and the inability to directly steer the actions of (semi)autonomous agencies, may resort to the imposition of structural changes on organizations to maintain control. If parliament or ministers repeatedly impose new organizational forms, inter-organizational transfers of units and changes in tasks upon an organization under their remit, the involved organization will most likely perceive itself as being confronted by a relatively controlling political principal. This control, in turn, will be interpreted by the organization's managers as a signal that the political principal prefers to keep important decisions in his/her own hands and opts to constrain the choices of the agent. Power exertion through structural reform may therefore create the perception that the agent lacks the autonomy to make important strategic choices and that its actions are mistrusted (Zito, 2015; Falk & Kosfeld, 2006). Thus, even if an organization receives a certain degree of formal strategic policy autonomy through its competences and (legal) insulation, the organization's senior management may experience a more constrained mandate through signals given by the principal's recurrent imposition of structural reforms. Moreover, as the threat of further structural reform is apparent, overstepping this mandate may be seen as costly. Thus, senior managers under these conditions may become substantially risk-averse and engage in anticipatory behavior, leaving strategic policy choices to the organization's principal.

Although this expectation on the influence of structural reforms has not been tested to our knowledge, substantial indications for the validity of a relationship between controlling behavior by the political principal and perceived strategic policy autonomy may be found within the literature. In line with the argument that we make in this article, Zito (2015) found, within the context of the British Environmental Agency (EA), that repeated structural reforms were imposed *inter alia* to steer the agency's task execution, and that these efforts were combined with explicit signals that the EA should not challenge government policy. In interviews with EU agencies, Busuioc (2009) observed that controlling behavior by the European Commission

was perceived as reducing or even nullifying the formal decision-making autonomy of agencies. Verschuere (2006: 208) similarly noted that if governments strongly scrutinize the organization's output and Chief Executive Officers (CEO) appointments, Flemish agencies report lower degrees of *de facto* policy autonomy in choosing target groups. More broadly, Yesilkagit & Van Thiel (2008) found that perceived influence of various principals, including the responsible minister, the finance minister and the Second Chamber of the Dutch Parliament, was negatively associated with the perceived ability to independently choose target groups. When organizations are repeatedly confronted with a political principal that asserts its control over the organization through structural reform, it may thus be expected that the organization's perception of control over its direction and the direction of the policies under its remit is detrimentally affected. This will translate itself into lower scores on indicators of perceived strategic policy autonomy.

2.3 Structural reforms and accruing resources

While the control perspective sees perceptions of autonomy as being influenced by a top-down process, it is also important to recognize that organizations are not merely passive recipients of their principal's wills (Zito, 2015; Ossege, 2015). Drawing from both resource-based and resource dependence theory, it may be argued that organizations will attempt to ensure their own survival, stability and autonomy by securing necessary resources (Oliver, 1991; Majone, 1997a; Carpenter & Krause, 2012; Overman et al., 2014; Barnett & Coleman, 2005) – processes which may be hindered in the turbulent circumstances that typify a severe structural reform trajectory.

Resource dependence theory emphasizes that political actors, public organizations as well as civil society and private organizations are interdependent on one another's resources to varying degrees (Overman & Van Thiel, 2014). Some public organizations will be heavily

dependent on their political principals for the availability of resources, forcing them to frequently acquiesce to their principals' demands and thus reducing an organization's maneuvering space in terms of strategic policy autonomy (Barnett & Coleman, 2005). Other public organizations, however, possess substantial resources, such as profound substantive expertise or a positive reputation with external stakeholders, which may bolster the organization's degree of autonomy to decide on its strategic direction (Majone, 1997b; Carpenter, 2004; Ossege, 2015). Moreover, organizations whose dependencies are spread across a range of actors besides their political principals will likely be less reliant on any single actor for their survival (Oliver, 1991), or may be able to play out differing interests between actors (Overman & Van Thiel, 2014; Roberts, 2006; Zito, 2015, see also Maggetti, 2007). Thus, an organization that has accrued substantial resources internally or has access to them through a diverse set of external relations will be relatively shielded from external threats, increasing its leeway to take strategic decisions autonomously, and reducing the potential for external actors to sanction the organization by depriving it of resources.

While resources such as expertise, information exchange, strong network embeddedness and a positive reputation with stakeholders are therefore valuable assets to organizations seeking to maintain autonomy (Majone, 1997b; Yesilkagit, 2004; Egeberg & Trondal, 2009), it is important to recognize that such resources cannot easily be gained overnight. Instead, they form gradually as the organization evolves, institutionalizes and builds on its core and distinctive competencies (O'Toole Jr. & Meier, 2003; Bryson et al., 2007). However, structural reforms, in particular when they are severe or imposed frequently, can potentially disrupt this process of "forging autonomy" (see Carpenter, 2010; Bryson et al., 2007). Specifically, when an organization's tasks, units, name and priority stakeholders are in flux due to continuous structural reform, its chances to build up valuable resources, links to organizations possessing such resources or positive reputations are limited. The organization may for instance have

difficulty building up strong network ties if relevant client groups are repeatedly changed, and may be faced with the arduous task of (re)developing expertise when its tasks and/or units are significantly reshuffled (Pollitt, 2007). Potential internal resources such as a positive morale, identity and internal culture are also under threat, as restructurings result in substantially altered or completely new departments and priority tasks within the organization (Marks & Mirvis, 1997; Amiot et al., 2006; Rafferty & Griffin, 2006; Grunberg et al., 2008; Zito, 2015). Similarly, when the organization's identity is repeatedly altered through name changes, splits, task changes and mergers it may not be able to build up a stable and positive reputation with stakeholders (Palma et al., 2010).

With the organization's own resources and access to network resources diminished through successive reforms, its dependence on its political principal for its continued survival is heightened. This, in turn, means that its perception of opportunities to plot out its own strategic course will be diminished. Thus, we may expect continuous, severe and frequent reforms to diminish strategic policy autonomy not only due to increased perceptions of control from the principal, but also due to the decreased ability of the organization to accrue the resources necessary to maintain its own autonomous position.

3. Data

In order to examine our expectations, we rely on two data sources: the BSAD, which traces structural reforms in the Flemish public sector during the period 1990-2015, and the 2013 COBRA survey on senior public manager perceptions. The BSAD contains entries for the founding, structural reform and termination events experienced by Flemish public organizations. It was compiled by tracing the organizational and legal history of each Flemish public organization. The main source of information is legislation, which in Flanders accurately tracks imposed changes in legal forms, name changes, task alterations, mergers, splits, etc.

Where legislation was nonetheless inconclusive or incomplete supplementary data was utilized, including parliamentary questions, ministerial reports, annual organizational reports, audits, and organizational websites. For public organizations with a private legal form the data was supplemented by examining statutes and changes therein. The combination of legislative information and supplementary data from other sources allowed us to vividly and accurately track the structural reform histories of Flemish public sector organizations.

The BSAD uses a similar structure as the Norwegian State Administration Database (NSD).[2] More specifically, a predefined categorization that classifies organizational change events in three main categories is used: changes related to the founding of an organization, changes related to the maintenance of an organization, and changes related to the termination of an organization. For each main category of events there are several sub-categories, including splitting, secession, merger and absorption, as well as movement of organizations vertically and horizontally within the state apparatus and into or out of it (Rolland & Roness, 2011, 405-407).[3] As we are interested in the effects of reforms on the perceptions of senior managers within existing organizations, only maintenance events are taken into account. Structural reforms leading to the creation or ending of public organizations are not included in our analysis. As there are various subcategories of maintenance events, we can form models that take into account that some types of structural reforms are likely to have a more substantial impact on the organization than others (see subsection 3.2).

The data on perceived strategic policy autonomy is taken from the 2013 Flemish COBRA survey, which is part of a larger international research effort to study the attitudes and perceptions of senior public managers in a variety of western countries. The top-level management (CEO-level) of these organizations was asked to fill in a web-based questionnaire

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[2] See: http://www.nsd.uib.no/polsys/en/civilservice/
[3] For a full overview, see Appendix 1

containing several types of questions (e.g. perceptions of autonomy, innovative activity, management and organizational culture). The motivation behind using the perception of senior managers about the *de facto* autonomy of their agency is that this will likely heavily influence their actions and the way they make strategic decisions (Korinek & Veit, 2015).

The response rate for the Flemish survey was 70%, i.e. 45 organizations. Excluding one organization for which data was missing on the dependent variable leaves us with a sample of 44 Flemish public sector organizations. These organizations are representative for the total population on most variables. The sample for instance includes both departments and semi-autonomous agencies, as well as organizations of various ages and sizes. The representativeness of the data was tested firstly on the basis legal type, with results indicating there is no significant difference between sample and population.[4] Moreover, a test on the total amount of structural reforms experienced per organization did not suggest a significant difference between both groups in terms of the amount of reforms experienced.[5] However, when accounting for the type and recentness of reforms we do see a difference between both groups.[6] This suggests that, while the non-responding organizations were on average not structurally reformed less or more frequently, they did experience some of their reforms comparatively recently.[7]

For each organization, an overview of the reform trajectory until 2013 – the year of the COBRA survey measurement and thus the last year BSAD reform entries are taken into account – as well as information on strategic policy autonomy is available, allowing us to test the relationship between an organization's reform history and senior manager perceptions of

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[4] With a Chi-square goodness of fit test, yielding χ^2=1.92, df=3, p=0.5901
[5] With a Mann-Whitney U test, yielding Z=-0.784, p=0.4333
[6] Z=-3.383, p=0.0007
[7] To verify that this did not influence results, a subsample of our original sample was automatically generated with an average structural reform history score that is not significantly different to that of the non-responding organizations. The analyses of section 5 were repeated on this subsample (albeit with fewer control variables due to reduced sample size). Results remain robust for structural reform history, and are available on request.

strategic policy autonomy. The main characteristics of these organizations are included in Table 1.

Please include Table 1 here

Figure 1 provides an overview of the amount of organizations that have accumulated a given amount of restructuring events. It illustrates that, although the number of organizations on which no reforms have been imposed is reasonably high at 10, the number of reformed organizations is far greater, namely 34. Additionally, it is notable that many of the sampled organizations have encountered multiple reforms in their histories. Thus, the dataset includes a variety of relatively stable organizations, organizations that have experienced moderate amounts of structural reforms, and organizations with substantial structural reform histories. Therefore, although the data on the independent is not entirely representative of the broader population of Flemish organizations, we retain a substantial amount of variation, which should allow us to capture the effect of different levels of structural reform histories.

Please include Figure 1 here

As the northern autonomous region in the Belgian federal system, Flanders possesses far-reaching legislative independence and has developed an intricate government apparatus of (primarily) departments and agencies, similar to the administrations of other Western countries and some subnational entities (such as the German Länder or US states). Beyond incidental structural reforms, an NPM inspired whole-of-government reform was implemented in 2006 and a move to post-NPM type structures and reintegration was made from 2008 onwards (Verschuere & Barbieri, 2009). Moreover, several structural reforms were implemented as

austerity measures following the 2009 financial crisis (Vis et al., 2011). The 2006 NPM reforms have sought to implement a strict typology of agencies and has simultaneously accorded a degree of formal autonomy to departments – with the latter not directly being headed by ministers. Combined, the legislative independence of the Flemish government, the presence of several types of organizations with varying degrees of autonomy, as well as the variety in reform processes, means that the Flemish public sector provides a suitable setting for our investigation into the effects of structural reform histories on strategic policy autonomy perceptions.

3.1. Measuring strategic policy autonomy

Strategic policy autonomy is measured using the following item: *"is your organization involved in the formulation of its goals?"* Respondents were asked to answer this question using the following categories (without reverse-coding, in order from high to low strategic policy autonomy):

5. We formulate these ourselves

4. We formulate these ourselves, after consultation with the minister/ Flemish government

3. We formulate them together with the minister/ Flemish government through a process of negotiations whereby each party has an equal say

2. The minister/Flemish government formulates these, after consultation with our organization

1. The minister/Flemish government formulates these.

3.2. Measuring structural reform histories

Based on the BSAD, it was possible to create two indicators for organizational histories of structural reforms. These histories were reconstructed starting from the founding date of each organization until the survey year of the COBRA data (2013). The first of these indicators aggregates the impact of all structural reform events coded for an organization, after these have been provided with an adjusted value based on the amount of years that has passed between the reform event and our measurement of strategic policy autonomy, and may be expressed in the following formula;[8]

$$\Sigma \left(\frac{1}{(2013 - Year\ of\ reform\ event)} \right)^2 \tag{1}$$

Here year of reform event refers to the date when the event took place and 2013 refers to the survey year of the COBRA data. Organizational history is taken into account until that year. The impact of each reform event depends on the date when it occurred. The further away in time, the lower its impact factor. Furthermore, it is important to note that we included a squared term in order to account for the fact that the effect of reform is expected to decrease in a nonlinear way.[9]

In a second, slightly more refined coding, we account for the fact that different types of structural reforms may be expected to affect an organization to varying degrees. An imposed secession of a unit to another organization may for instance be expected to have a stronger impact on senior manager perceptions than a change of name event. We therefore distinguish between reforms that are likely to have only a minor impact, reforms that are likely to have a

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[8] This formula applies to all events imposed in 2012 or before. Events occurring in 2013 are taken into account simply with their squared strength value, as entering them into the formula would result in dividing by 0.

[9] Note that this squared term is applied before regression analysis and does not denote a polynomial regression term

moderate impact, and events that are likely to have a major impact on an organization. These event impact levels are respectively accorded the values 1, 2 and 3. Thus, utilizing formula (1) and substituting the 1 in the numerator for these impact values provides the formula for coding 2. The weights accorded to the various BSAD structural reform event codes are based on Wynen, et al. (2017), and are included in the top rows of Table 2.

Please include Table 2 here

While our second coding of organizational history follows the original weight distinction utilized by Wynen et al. (2017), we apply an additional robustness check by constructing a third coding. This coding alters the weight of 'change of legal form' events from moderate to major impact, reflecting that changes in legal form are often accompanied by changes in the formal autonomy of an organization, and may therefore have a relatively strong effect on the perceived autonomy of senior managers. The weights for coding three are shown in the bottom rows of Table 2.

3.3. Control variables

In order to account for the spurious effect of factors not included in our proposed causal mechanisms, we include a number of control variables. First, many Flemish agencies have been strongly geared towards service delivery and implementation instead of discretionary types of decision-making following the introduction of NPM initiatives in Flanders (see Van Thiel & Yesilkagit, 2014; Bach, 2012), perhaps limiting their involvement in strategic issues. A dummy (Task) is therefore included, which is set to 1 when service delivery is the primary task and to 0 otherwise. Additionally, an organization's *de facto* perception of strategic policy autonomy

may be determined by its legal type. Flemish public organizations can be subdivided in organizations lacking legal personality, directly steered by the responsible minister, and organizations with legal personality and greater operational discretion. Following the classification by Van Thiel (2012) of public sector organizations, a dummy (Legal Personality) is therefore included, which is coded 1 if the organization possesses legal personality and 0 otherwise.

Additionally, organizational size in terms of FTE is included as a control. Organizational size has been argued to improve an organization's autonomy by providing slack resources that function as a resource, and by increasing organizational complexity (Bach, 2012). Furthermore, 'Organizational Age' in years is included in the model due to its potential endogenous effects on the relationship between structural reforms and strategic policy autonomy. An organization may naturally accrue a more substantial structural reform history over time, while simultaneously acquiring resources and reputation beneficial to its strategic independence (see also Maggetti, 2007). Since the distributions of size and age are highly skewed, we use logarithm-transformed variables (ln(Size) and ln(Organizational Age)).

We furthermore include control variables on the personal characteristics, due to their potential influence on perceptions of *de facto* autonomy. First, we include tenure as senior manager within the organization (Senior Manager Tenure). Furthermore, we add a dummy capturing whether the responding senior manager leaves the organization in the measurement year of the COBRA survey (Senior Manager Leaving in 2013, coded 1 if a senior manager leaves in 2013 and 0 otherwise), as this may influence their perception of risk associated with independent action. Finally, as research has found indications that female senior managers behave differently to their male counterparts, both within their own organization and with regard to their external environments (Jeong & Harrison, 2017), we include 'Senior Manager Gender' as a dummy (coded 1 for female and 0 for male respondents).

Table 3 provides the summary statistics and a correlation matrix.

Please include Table 3 here

4. Methodology

Our analyses use Tobit models, in which one can set the lower and upper bounds. Utilizing Tobit models allows us to take into account that the dependent is bounded between 1 and 5, while OLS regressions would assume a continuous distribution. Moreover, while ordered models are generally speaking a viable option for such data structures, our relatively small sample of 44 organizations implies that the various categories would receive too few observations, making Tobit regression the preferred estimation method.[10]

We have to take some assumptions underlying the Tobit model into account, such as normally distributed errors and homoscedasticity, i.e. $\varepsilon \sim N\left(0, \sigma^2\right)$. Departure from homoscedasticity or normality will cause the estimators to be inconsistent (Wooldridge, 2002). In order to test the normality assumption, we estimate the Tobit model with polynomials (quadratic, cubic) of the fitted values as additional regressors. A Wald test is then performed to check whether these polynomials have jointly significant explanatory power. For all of our models, the null hypothesis of normality could not be rejected. If the assumption of homoscedasticity is violated in Tobit models, regressions may result in inconsistent coefficient estimates. Consequently, we also estimated heteroscedastic models where we model a heteroscedasticity term. The heteroscedasticity term includes the variable Legal Personality. When performing LR-tests on heteroscedasticity for all models, we notice that the null hypothesis (homoscedasticity) cannot be rejected in any of the models.

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[10] As a robustness check, standard OLS regression has also been employed with the same organizational history codings. This led to results with the same sign and significance level, which have been included in the appendix.

5. Results

Based on the Tobit results shown in columns 3 and 4 of Table 4 it is clear that organizational history has a significant negative effect on perceived strategic policy autonomy.[11] In other words, the more turbulent an organization's structural reform history, the less likely it is to have a higher than average degree of strategic policy autonomy. Modelling the third coding of organizational history (see column 4) furthermore illustrates that the effect holds for an indicator which alters the weights for change of legal form events. Given these similarities for the three different coding methods of organizational history, it seems that the results of our models are robust.

In terms of control variables, possessing service delivery as a task does seem to produce consistent significant results, indicating that senior managers of public organizations focused strongly on the implementation of service-delivery tasks feel less capable of determining the strategic goals of the organization. It is furthermore notable that two senior manager characteristics produce significant results, albeit mostly at the .10 significance level. Female senior managers seem to experience greater levels of strategic policy autonomy, a result that remains robust across the three main specifications as well as the robustness test. Moreover, there are limited indications that tenure may be positively associated with higher perceptions of strategic policy autonomy, although this variable is only significant in two model specifications, and only at the .10 level.

Please include Table 4 here

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[11] Additional Tobit and OLS tests were performed with fewer control variables, with results for organizational history codings remaining identical. Due to space limitations and the similarity of the results, we opted to present the full model in the article. Results for the other tested models are available upon request.

6. Discussion

The results described in the previous section provide support for our theoretical argument that intense histories of structural reform may reduce a public organization's perception of strategic policy autonomy. This result remains robust across differently coded indicators of structural reform history. Our finding implies that policymakers and politicians should remain mindful of their long-term relationships with their administrative entities – and the senior managers that occupy these. As has been noted by scholars in fields related to change resistance and organizational culture, organizations and reform programs are not perfectly malleable and designable. Instead, both senior managers and employees in other ranks of the organizational hierarchy may act in *ex ante* unpredicted ways when they perceive structural reforms as externally imposed threats (Reichers et al., 1997; Pollitt, 2007).

With regard to perceived strategic policy autonomy, it seems that senior managers that experience their principal to be prominently present through structural reforms are less likely to perceive their organization to possess significant strategic discretion (see also Zito, 2015; Busuioc, 2009). Instead, the organization's senior managers, aware that the organization is under substantial scrutiny and control as well as under the threat of further structural reforms, will act in relatively risk-aversely. Therefore, they are likely to report the array of strategic choices available to them as relatively limited, and subject to at least some degree of involvement on part of the organization's principal.

Simultaneously, the continuous disruptive effect of structural reforms may – as was theorized in section two – prevent the organization from accruing substantial resources and a positive reputation within its task environment, hindering the organization with regards to maintaining or building up the resources necessary for a substantial degree of *de facto* strategic policy autonomy (Carpenter, 2004). For instance, those organizations frequently confronted

with changes in their tasks or makeup may not be able to develop particularly specialized knowledge on a topic, nor will the organization be able to invest in long-term (personal or inter-organizational) relationships (Pollitt, 2007; McMurray, 2007; Seo & Hill, 2005). Organizational identities may be obscured both internally and towards external audiences when names, tasks and forms are repeatedly subject to change. Internally, the remolding of organizational identities and reshuffling of units might disrupt the cultural unity of the organization, leading to culture conflicts and misunderstandings in units strongly affected by the structural reform (Marks & Mirvis, 1997). Moreover, when the symbols of the organization are externally obscured due to repeated changes, this may hinder the build-up of strong reputations. With internal turmoil preventing the organization from accruing or regaining the resources necessary to assert itself as an autonomous actor, it seems that the strategic policy autonomy perceptions of senior managers is detrimentally affected.

It furthermore seems that when no further reforms are imposed, senior manager perceptions of strategic policy autonomy may gradually be restored. We speculate that senior managers will gradually become more confident with regard to the strategic choices that the organization may make, while the organization simultaneously becomes more embedded in the field, adapts to its new structure and tasks and develops positive relations with external stakeholders. This would explain why indicators for the intensity of structural reform history that include a non-linear decay term, which becomes smaller the more time has passed since a given structural reform, function well in our models. This argument is in line with behavioral science research on the impact of single reforms, which suggests that post-reform an organization should gradually stabilize after a certain time-period (Seo & Hill, 2005). Conversely, the results also imply that when organizations are frequently reformed and are given no breathing space between structural reforms, the effects of these events may accumulate (Rafferty & Griffin, 2006; see also Moore et al. (2004), who find similar results for stress and

well-being variables). Thus, perceptions of strategic policy autonomy may be reduced to a greater degree when the structural reforms the organization has experienced are frequent, recent and severe.

Combined, our results support the recent development in the literature that organizational autonomy is substantially dynamic in nature. Therefore, when a political principal deems a substantial degree of strategic policy autonomy necessary for the execution of an organization's tasks, it should not only establish its legal insulation, but should also attempt to provide conditions conducive to autonomous decision-making during that organization's lifetime. Following our findings, this could for instance mean refraining from additional structural reform soon after an organization has undergone a sequence of particularly severe changes. Alternatively, it could mean delaying certain aspects of structural reforms to give an organization time to recuperate from previous reforms.

Simultaneously, our conclusions also corroborate arguments emerging from the (public sector) reform literature in recent years, which suggest that imposing reforms too frequently may generate detrimental side-effects (Rafferty & Griffin, 2006; Pollitt, 2009; McMurray, 2007). Moreover, articles examining the impact of single reforms have indicated that a variety of such detrimental effects may occur. These may include – but are not limited to – increased stress (Rafferty & Griffin, 2006; Marks & Mirvis, 1997), reduced job satisfaction (Amiot et al., 2006), change cynicism (Reichers, et al., 1997), transition costs (Pollitt, 2007) and disruptions of innovation-oriented cultures (Wynen et al., 2017). Our observation that strategic policy autonomy perceptions may also be reduced after repeated structural reform suggests that a broader range of factors within organizations may be influenced than was previously expected.

In this context, it is important to note that we do not argue against the necessity or desirability of structural reforms, but emphasize how their side-effects on perceptions of

strategic policy autonomy may persist or even be amplified when such structural reforms are continuous and severe. Moreover, given the substantial evidence that public sector restructurings often achieve their goals to a limited degree (eMarch & Olson, 1983; McMurray, 2007; Pollitt, 2007; although see also: Dan & Pollitt, 2015), the occurrence of such unintended side-effects suggests that reformers should consider the anticipated costs and benefits of structural reform realistically and comprehensively.

It is furthermore notable that the dummy included on legal personality is non-significant, providing no evidence that formal autonomy stemming from legal personality and the associated (relatively independent) Flemish agency forms relates to the degree of strategic policy autonomy perceived by senior public managers. This supports the emerging consensus in the literature that formal autonomy and *de facto* autonomy are different concepts, and that the presence of one does not necessarily imply the other (Korinek & Veit, 2015). Conversely, having service delivery as the organization's primary task does produce consistent significant results. The combination of both results implies that, while *de facto* and formal autonomy should be treated as separate concepts, structural features of the organization may simultaneously remain powerful explanatory antecedents of *de facto* autonomy as perceived by senior managers.

Interesting is furthermore that age produces non-significant results in all but one of our models, contradicting earlier findings on the determinants of policy autonomy (Maggetti, 2007). This may be explained by taking into account that our operationalization of structural reform history provides a more precise interpretation of an organization's path through life, specifically whether it has had a stable or a tumultuous history. If correct, this argument implies that age is in fact a proxy for other dynamic variables, including the structural reform histories examined here. Another surprising finding is that the size variable does not produce significant results, implying that large public organizations cannot use their size to leverage greater degrees

of strategic policy autonomy – which differs from the conclusions of Van Thiel & Yesilkagit, (2011) and Bach (2012). However, the difference between our findings and those reached by other authors may be partially explained by our narrower focus on strategic policy autonomy. Thus, further research distinguishing between policy autonomy and its sub-dimensions seems necessary for a more conclusive statement on the effect of organizational size.

Finally, it is worth pointing out that gender and tenure seem to influence strategic policy autonomy perceptions. The results on tenure are intuitive: longer tenures seem to be associated with higher levels of strategic policy autonomy, suggesting that senior managers may leverage their experience and embeddedness in networks to improve their autonomy. However, given that the variable was not robust across all model specifications, this result should be interpreted with caution. Moreover, the consistent effects shown by our gender variable indicate that female senior managers perceive a somewhat higher degree of strategic policy autonomy. This is a puzzling result, which deserves additional scrutiny in further research.

One criticism that may be levelled against the arguments of this contribution is that some structural reforms may also be beneficial to the strategic policy autonomy of public bodies. Some events may be aimed at enhancing the formal autonomy of organizations (Busuioc et al., 2011), or may be initiated in a bottom-up manner, potentially increasing senior manager perceptions of strategic policy autonomy. While deserving further investigation, we argue that this issue is in our case mitigated by the fact that many of the changes of legal form included in our database were imposed pursuant to the introduction of a new typology of agencies during the 2006 whole-of-government reform. Many of the organizations did not experience substantial changes in distance from the political superior in this stage, but were incorporated into the new typology with a similar degree of autonomy as before. While this still entailed procedural changes for the organizations, thus making the event a potential source of disruption and perceptions of control consistent with our theoretical mechanisms, the influence of changes

in levels of formal autonomy on perceptions thereof should have been minimal. Moreover, only three organizations experienced change of legal type events in the period 2008-2012, of which two included an increase in formal autonomy. Moreover, as all coefficients for structural reform history consistently display a negative effect, any other potential positive effects that might be included in the coefficients have apparently not been powerful enough to offset the negative effects on strategic policy autonomy.

Additionally, there remain a number of limiting factors that should be taken into account when considering our results. With regard to the available data it is noteworthy that we were limited to a cross-sectional analysis of a relatively small sample. Endogenous factors could for instance be present if weak senior managers perceive less strategic policy autonomy, and are also more susceptible to structural reforms as they lack the competences to adequately resist these. We believe such issues are partially mitigated by the long histories of structural reforms that are examined in this article, through which structural reforms imposed before the tenure of the newest manager become relevant as well. Nevertheless, subsequent studies should utilize panel-data structures with larger samples, thereby addressing dual or reverse causation issues and validating the results presented here.

Furthermore, while on most variables the sample is representative, we found that the responding organizations on average experienced less of their reforms in recent years, although an additional test on a subsample, which was generated with a mean that did not significantly differ from non-responding organizations, did show that results remain robust when accounting for this (see footnote 8). We have also not been able to address issues such as potential interactions due to the limited number of organizations in the sample. It is possible that – although the overall effect seems to be robustly negative – some organization types experience a larger or smaller effect for reform histories due to for instance their formal autonomy or their size, which would be an interesting aspect to incorporate in future studies.

Additionally, as we focused on the cognitive aspects of strategic policy autonomy by examining the perceptions of senior managers, we cannot make statements on how these perceptions translated into actual behavior. While senior manager perceptions are arguably the most relevant indicators for strategic policy autonomy given their responsibility for the strategic decisions within the organization, objective data that would reflect whether organizations actually exhibit less diverging strategic initiatives *vis-á-vis* their political principals could provide a powerful complement to our findings. Finally, the results presented here are limited by the lack of available data on the causal mechanisms underlying the relationship between structural reform histories and strategic policy autonomy, i.e. perceptions of control and disruptions of resources, restricting us to theoretical statements on these mechanisms.

7. Conclusion

As administrative autonomy continues to be valued for a variety of purposes by Western governments, the study of what drives autonomy in practice remains an important topic for public administration scholars. The findings presented here confirm our expectation that long and severe histories of structural reforms have a detrimental effect on senior managers' evaluation of their organization's discretion with regard to strategic goals. We argue that this result can be explained through two mechanisms. First, as structural reforms can be seen as interventions and thus controlling behavior on part of the political principal, senior managers will perceive their organization's mandate as restrained and will tend to behave risk-aversely. Second, as the continuous structural changes affecting organizations tend to disrupt internal work-routines, interrupt inter-organizational ties and reduce the ability to establish a stable and well-developed reputation, frequently affected organizations will have difficulty accruing the resources necessary for an autonomous position.

Our findings confirm arguments made in the public sector reform literature that continuously reforming organizations can produce detrimental side-effects (Pollitt, 2007). This article illustrates that these effects are broader than for instance the transition costs (Pollitt, 2007) or organizational well-being effects (Rafferty & Griffin, 2006; McMurray, 2007) often expected, and may also include senior manager perceptions. As such, our results should encourage scholars to investigate a wider array of potential organizational reform effects, as to ascertain the full impact (structural) reforms may inadvertently have on organizations.

This contribution has furthermore added to the burgeoning literature offering a relational perspective on how autonomy is formed, maintained or lost. Such a perspective pushes our understanding of autonomy further than the already developed distinction between legal and *de facto* autonomy on the basis of static predictors, and sees cognitive perceptions of autonomy as a function of previous interactions between a public organization and its environment – in particular influential actors such as an organization's political principals (Maggetti & Verhoest, 2014). We add to this literature that effects on strategic policy autonomy may come from unintended and possibly unanticipated corners – in our case structural reform histories – working through mechanisms such as perceptions of control and the availability of resources. The findings of this burgeoning literature therefore suggest that adding dynamic, relational data to the already prevalent static predictors of organizational autonomy is a promising avenue for further research.

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Tables & Figures

Table 1 Descriptive information on sampled organizations (N=44)

Type	N	Mean size (FTE)	Age (year)
Department	8	205	7
External autonomous agency with public legal personality	12	662	23
Internal autonomous agency with legal personality	18	342	9
Internal autonomous agency without legal personality	6	515	24

Table 2 Available maintenance events in the BSAD and expected impact on the organization

| Organizational history (coding 2)		
Major impact (value=3)	**Moderate impact (value=2)**	**Minor impact (value=1)**
· Restructuring by absorption from (an)other organization(s) (units or tasks) · Restructuring by seceding units or tasks to (an)other organization(s)	· Restructuring by change in legal form · Restructuring by attribution of new tasks, not existing before in the public sector	· Restructuring by shift to another ministerial portfolio (subordination to another ministry) · Change of name
Organizational history (robustness check)		
Major impact (value=3)	**Moderate impact (value=2)**	**Minor impact (value=1)**
· Restructuring by absorption from (an)other organization(s) (units or tasks) · Restructuring by seceding units or tasks to (an)other organization(s) · Restructuring by change in legal form	· Restructuring by attribution of new tasks, not existing before in the public sector	· Restructuring by shift to another ministerial portfolio (subordination to another ministry) · Change of name

Table 3 Descriptive statistics (N=44)

Variable	Mean	Sd,		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Policy autonomy	4,00	0,72	(1)	1,00								
Organizational history	1,29	3,18	(2)	-0,30	1,00							
Legal Personality	0,55	0,50	(3)	-0,08	-0,08	1,00						
Task	0,23	0,42	(4)	-0,19	-0,22	0,47	1,00					
Size (log)	5,47	1,11	(5)	-0,07	0,03	0,09	0,33	1,00				
Organizational Age (log)	2,45	0,69	(6)	-0,22	-0,08	0,35	0,22	0,28	1,00			
Senior Manager Gender	0,25	0,44	(7)	0,15	-0,11	0,14	0,26	-0,09	0,07	1,00		
Senior Manager Tenure	6,00	2,26	(8)	0,12	-0,13	0,21	0,12	0,12	0,34	-0,19	1,00	
Senior Manager Leaving in 2013	0,20	0,41	(9)	-0,08	0,28	0,09	-0,17	0,00	0,14	-0,16	0,20	1,00

Table 4 Regression (Tobit) results for the impact of history on strategic policy autonomy

Variables	(1)	(2)	(3)	Robustness check (4)
	Coef	Coef	Coef	Coef
Organizational history (1)		-0.824***		
		(0.221)		
Organizational history (2)			-0.0927***	
			(0.0192)	
Organizational history (3)				-0.0871***
				(0.0235)
Legal Personality	0.256	0.361	0.282	0.327
	(0.394)	(0.382)	(0.366)	(0.376)
Task (Service delivery)	-0.691*	-0.822**	-0.789**	-0.797**
	(0.362)	(0.367)	(0.360)	(0.364)
Size	0.103	0.131	0.136	0.126
	(0.134)	(0.131)	(0.131)	(0.131)
Organizational Age	-0.458*	-0.499**	-0.488**	-0.482**
	(0.245)	(0.227)	(0.226)	(0.226)
Senior Manager Gender	0.690**	0.604*	0.656**	0.643**
	(0.323)	(0.312)	(0.313)	(0.313)
Senior Manager Tenure	0.131**	0.0902*	0.107**	0.0946*
	(0.0582)	(0.0531)	(0.0517)	(0.0542)
Senior Manager Leaving in 2013	-0.252	0.0505	-0.0326	0.0106
	(0.323)	(0.311)	(0.292)	(0.310)
Constant	3.913***	4.180***	4.055***	4.142***
	(0.654)	(0.617)	(0.606)	(0.618)
Observations	44	44	44	44
McKelvey & Zavoina's R²	0,246	0,324	0,335	0,325
Cragg-Uhler R²	0,253	0,337	0,348	0,338

Robust standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1

Figure 1 Reform histories by amount of imposed restructuring events for the 44 sampled organizations
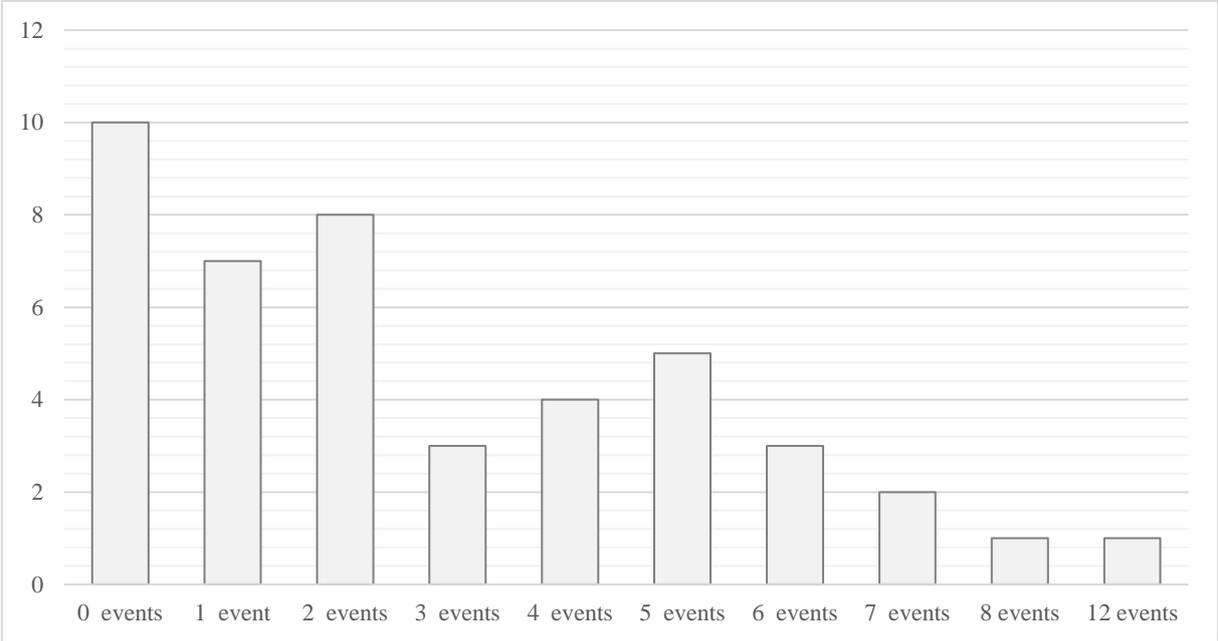
Appendix 1 - Overview of BSAD event codes

Founding events
101 – pure founding (organization has no predecessors)
102 – founding by secession (except from bodies from other government levels)
104 – founding by splitting (except from bodies from other government levels)
106 – founding by merger (except from bodies from other government levels)
107 – founding by transfer from national/federal level (regionalization), including immediate merger or splitting of the organization
108 – founding by transfer from lower administrative level (from local/provincial to regional/federal or from regional to federal)
111 – founding by complex reorganization (except from bodies from other government levels)
112 – entered; new relevant entity (not existing in dataset before)
114 – founding by complex splitting
116 – founding by complex merger

Maintenance events
202 – maintenance by secession (to bodies of the same governmental level or to private sector/non-profit sector)
203 – maintenance by absorption (from bodies of the same governmental level or from private sector/non-profit sector)
204 – maintenance with secession of tasks to another governmental level
205 – maintenance by absorption of tasks from another governmental level
207 – maintenance by only change of name
208 – maintenance by dropping of tasks altogether
211 – maintenance by reorganization
221 – new superior organization at the same level (horizontal movement)
222 – new form of affiliation/legal form (including moving in or out private or non-profit sector) (with or without change of name)
223 – new superior organization and new form of affiliation/legal form
224 – maintenance by the adoption of new tasks (not existing before in any other (public) organization)
291 – no change to unit, but change of superior (diagonal movement at the same governmental level)

Ending events
303 – ending by absorption
304 – ending by splitting
306 – ending by merger
307 – ending by transfer to regional level (regionalization)
308 – ending by transfer to provincial and local administrative levels
309 – ending by transfer to higher administrative level (from regional to federal or from lower levels to regional/federal)

310 – pure disbandings/termination

312 – discharged; no longer relevant entity

314 – ending by complex merger

316 – ending by complex splitting

Appendix 2 – OLS results

Variables	(1) Coef	(2) Coef	(3) Coef	Robustness check (4) Coef
Organizational history (1)		-0.691***		
		(0.182)		
Organizational history (2)			-0.0775***	
			(0.0153)	
Organizational history (3)				-0.0712***
				(0.0203)
Legal Personality	0.141	0.221	0.163	0.192
	(0.301)	(0.290)	(0.279)	(0.285)
Task (Service Delivery)	-0.466	-0.579*	-0.552*	-0.554*
	(0.292)	(0.302)	(0.298)	(0.299)
Size	0.0729	0.0937	0.0984	0.0896
	(0.105)	(0.106)	(0.106)	(0.105)
Organizational Age	-0.331*	-0.362*	-0.355*	-0.347*
	(0.193)	(0.179)	(0.180)	(0.178)
Senior Manager Gender	0.486**	0.422*	0.463*	0.451*
	(0.232)	(0.233)	(0.233)	(0.233)
Senior Manager Tenure	0.0990*	0.0662	0.0800*	0.0702
	(0.0491)	(0.0462)	(0.0443)	(0.0474)
Senior Manager Leaving in 2013	-0.196	0.0435	-0.0245	0.00568
	(0.274)	(0.266)	(0.250)	(0.265)
Constant	3.854***	4.088***	3.983***	4.050***
	(0.559)	(0.539)	(0.526)	(0.539)
Observations	44	44	44	44
R²	0.209	0.300	0.310	0.296

Robust standard errors in parentheses *** $p<0.01$, ** $p<0.05$, * $p<0.1$