

Authors:

<table>
<thead>
<tr>
<th>Maree Armansin</th>
<th>Robert Thompson</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director</td>
<td>School of Management</td>
</tr>
<tr>
<td>OrgDevSolutions</td>
<td>QUT Business School</td>
</tr>
<tr>
<td>PO Box 856</td>
<td>QUT</td>
</tr>
<tr>
<td>Lutwyche Brisbane 4030</td>
<td>2 George Street</td>
</tr>
<tr>
<td>Australia</td>
<td>Brisbane Q4000</td>
</tr>
<tr>
<td><a href="mailto:maree@orgdevsolutions.com.au">maree@orgdevsolutions.com.au</a></td>
<td><a href="mailto:r.thompson@qut.edu.au">r.thompson@qut.edu.au</a></td>
</tr>
<tr>
<td>Ph: 61 7417613531</td>
<td></td>
</tr>
</tbody>
</table>

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Please forward feedback and comments to:

Maree Armansin
Director
OrgDevSolutions
P.O. Box 856
Lutwyche
Queensland 4030
Australia

Email: maree@orgdevsolutions.com.au
Ph: 61 7417613531
Abstract

The purpose of this paper is to explore the potential and value of positive management practices to address the pain and suffering that frequently accompanies periods of large-scale austerity in public sectors. Public managers are increasingly asked to implement severe austerity measures and at the same time to build service delivery capacity; contradictory tasks. We draw on and further develop Cameron’s (2012) model of Positive Leadership to identify seven positive shared leadership practices that, while not eliminating the pain and suffering associated with austerity measures at least offer some scope, compared to traditional public management practices, for managing the austerity-build capacity duality in ways that respond to those affected with compassion and respect. We draw on published reports of a large-scale austerity program to highlight the potential and value of positive shared leadership practices for creating what we refer to as positive organisational austerity. The paper contributes to the literature on public management response to crises in two main ways. First, the paper introduces and develops the concept of shared positive leadership (Cameron, 2012; Carson et al. 2007) as a way of managing in austerity. Second, the paper introduces the concept of positive organisational austerity as a means of highlighting a reorientation in thinking about austerity measures and their implementation.

Keywords: austerity; positive leadership; shared leadership; public management
INTRODUCTION

One of the new challenges facing researchers, policy makers and practitioners is how to implement large-scale austerity measures and at the same time build response capacity. These challenges impose contradictory demands; it constitutes a duality; “one without the other leads to degeneration and pathology” (Evans, 1992: 253); austerity without a concern for capacity building leads to deterioration and focusing on capacity building without a concern for austerity is also fraught. Austerity measures are relatively straightforward; they typically involve downsizing, downward and lateral transitions, and budget and program cuts. What is more difficult is to maintain and build capacity while achieving austerity aims. The problem may well be intractable. However, intractable problems do need to be managed; the issue is how they are managed. Are they best managed through traditional public management values and norms such as impersonality or is there a need to reorientate traditional public sector cultures to better reflect the demands of new challenges. In this paper, we argue that adopting positive leadership practices (Cameron, 2012; Cameron and Caza, 2004; Cameron Dutton and Quinn, 2003) can play a significant role in better managing the austerity-capability building duality.

The purpose of this study is to investigate the relationship between positive managerial practice and austerity-capability building. We explore these ideas by drawing on the experience of public managers in two organisations undergoing the downsizing of the public sector in one Australian state. We acknowledge the pain and suffering that may be associated with austerity measures and we do not underestimate or underrate this. Just the reverse; there have been widespread reports of the pain and suffering that people have experience as large-scale austerity measures are implemented. Our core point is that austerity can be managed in ways that result in greater levels of toxicity (Frost, 2004) or can be managed in ways that positively support people individually and collectively as they work through very difficult personal and collective choices.

The paper contributes to the literature on public management response to crises in two main ways. First, the paper introduces and develops the concept of positive shared leadership (Cameron, 2012; Carson et al. 2007) as a way of managing austerity-capability building. Second, the paper introduces the concept of positive organisational austerity as a means of highlighting a reorientation in thinking about austerity measures and their implementation.

THE ERA OF AUSTERITY
The era of austerity has had far-reaching implications for public services in most countries (e.g. Bach, 2012). Any casual review of the literature on austerity quickly reveals the global scale of efforts to address debt following the Global Financial Crisis. Strategies designed to achieve greater austerity have tended to be ‘quick and dirty’ and have inflicted significant psychological pain on some public servants. Austerity measures include downsizing, redundancies, function reduction, elimination of public programs. The impact on the public sector includes job insecurity, stress, and decreased quality of manager-employee relationships and reduced levels of employee work engagement.

Moreover, it is not just those people who lose their jobs who feel stressed. Greenhalgh and Rosenblatt (2010) reported some surprise at learning “how deeply traumatised were the state workers who survived a layoff and how widely this trauma spread” (8). This dynamic was associated with such issues as the “abrogated psychological contract, the inequity of bearing the burden of mistakes their managers had made that caused the organisational decline, their utter powerlessness to affect their career trajectories no matter how hard or how well they worked or how many years of service they had given their employer, and the plights of their co-workers” (8). Work provides people with a sense of identity and meaning; undermining identity and meaning may occur whether people survive austerity or not.

The public sector employees are not the only people affected by austerity measures. Families and family relationships can be subject to significant strain. Job insecurity and the potential loss of family income can contribute to marital conflict (e.g. Greenhalgh and Rosenblatt, 2010). Moreover, downsizing tends to affect businesses that rely on public servant spending. Data are not yet available however anecdotal evidence suggests small business failures are increasing.

Paradoxically, while the focus of austerity is primarily on financial objectives, the austere public sector also needs to build capacity (Queensland Commission of Audit, 2013) and will need to rely more heavily on the development of strategic capabilities such as collective learning and innovation (Kinder, 2012) and a more engaged workforce as there will be more dependence on fewer people to achieve service quality and to ensure the legitimacy of the political party in power. For example, one public sector outlined a fiscal repair strategy and at the same time called for greater workforce flexibility, capacity building and building productive capacity (Queensland Commission of Audit, 2013).

The issue we are concerned with is how the austerity-capacity building duality is managed and whether there are strategies that improve the way it is managed. In this paper we focus on the potential of positive shared leadership, an issue we explore in the next section.
POSITIVE ORGANISATIONAL SCHOLARSHIP

The focus on the positive is a relatively recent development in the literature and it has not yet received much attention in the public sector management literature. Positive scholarship is an umbrella term that categorises previous research and provides an organising frame for current and future research on positive states, outcomes, and generative mechanisms in individuals, dyads, groups, organisations and societies (Roberts 2006.). Positive organisational scholarship (POS) emphasises ideas of goodness and human potential and the enablers (e.g. processes, capabilities, structures and methods), the motivations (e.g. unselfishness, altruism, contribution without regard to self), and the outcomes or effects (e.g. vitality, meaningfulness, exhilaration, high-quality relationships) (Cameron, Dutton and Quinn, 2003).

The idea of positive organisational scholarship in conditions emphasising austerity provides a rather extreme environment within which positive organisational theory and practice can be explored. What do managerial actions designed to achieve austerity and retrenchment goals reveal about the orientation of public sector organisations to positivity or negativity? Can there be a positive organisational theory in times of austerity; can public sector managers employ positive practices to achieve austerity goals?

Within organisational studies, the positive perspective has sharpened the focus on positive states (e.g. authenticity, optimal performance, engagement, thriving, high quality connections, social responsibility, sustained peace, dynamic capabilities) and their generative mechanisms (e.g. empowerment, trust, creativity, humanistic work ideology)(Roberts 2006). Proponents of positive organisational scholarship examine the interplay between individuals and social contexts in generating positive deviance. Empirical and theoretical studies illuminate the social embeddedness of individual and organisational flourishing ( eg., Roberts, Dutton, Spreitzer, Heaphy, & Quinn, 2005;Speitzer, Sutcliffe, Dutton, Sonenshein, & Grant, in press; Wooten & Crane,2004.)

Positive Organisational Behaviour (POB) directly links positive psychology and micro-organisational behaviour studies. POB scholars seek to identify the role of organisational climate and human resource practices in fostering authenticity, continuous self-improvement, and sustained performance ( Avolio & Luthans, 2006). Positive Organisational Scholarship (POS) is united by a similar quest to “investigate positive deviance, or the ways in which organisations and their members flourish and prosper in especially favourable ways,” and to “identify the dynamics leading to exceptional individual and organisational performance “(Cameron & Caza, 2004:1). Proponents of
positive organisational scholarship examine the interplay between individuals and social contexts in generating positive deviance. POS is a complementary effort that draws on positive psychology but also carves a much broader agenda for how a focus on the positive opens up new and important ways of seeing and understanding organisations.

The positive scholarship lens prompts researchers to expand the focus from describing what is problematic to capturing mechanisms that enable human flourishing. Rather than only wrestle with what is “wrong” in organisations positive scholars encourage the field to pose the complementary question, “what is going right in organisations and what can we learn from these examples of human flourishing?” In a work based context the traditional focus on job satisfaction has frequently been on “dissatisfiers” and negative elements in the work environment rather than on the intrinsic positive meaning that work has for individuals.

POS is not a new invention so much as an alteration of focus. It recognises that positive phenomena have been studied for decades, but also that studies of affirmative, uplifting, and elevating processes and outcomes have not been the norm. Walsh’s survey (2002) found that positive terms have seldom appeared in the business press in the past 17 years, whereas negatively biased words have increased four-fold in the same period. A primary objective of POS is to redress this bias so that positive phenomena receive their fair share of rigorous and systematic investigation (Cameron, Caza 2012).

POS consciously uses the word scholarship to identify its scientific and theoretical foundations. It endeavours to enlarge the conceptual domain of organisational theory to include examinations of neglected phenomena such as networks, routines and relationships. POS focuses on the dynamics in organisations that lead to developing human strength, producing resilience and restoration, fostering vitality, and cultivating extraordinary individuals. POS is based on the premise that understanding how to enable human excellence in organisations will unlock potential, reveal possibilities and facilitate a more positive course of human and organisational welfare. (Ross, S. (2009) University of Michigan).

Positive Organizational Scholarship (POS) focuses on the dynamics in organizations that:

- Develop human strength, resiliency, healing, flourishing;
- Cultivate extraordinary individual and organizational performance;
- Lead to flourishing outcomes and the best of the human condition;
- Foster and enable virtuous behaviours and emotions such as compassion, forgiveness, dignity, respectful encounters, optimism, integrity, and positive affect.
How can this view of positive organisational scholarship be reconciled with the demands of austerity? The most dramatic examples of flourishing, vitality and strength in organisations are often found amidst challenge, setback and difficult demands (Ryff & Singer, 2003). The challenge might be seen as another illustration of the “dirty hands” dilemma; which arises when politics requires what morality forbids. In this case, politicians might require public agencies to cut budgets, cut programs and cut staff. In these circumstances politicians instruct agencies to make the necessary cut and agency managers implement these decisions. They could rightly say that “we don’t like doing this though we have been directed to do so.”

POSITIVE STRATEGIES IN PERIODS OF AUSTERITY

In this section we draw on and extend Cameron’s (2012) positive leadership strategies. In particular, we focus on shared leadership rather than formal organisational leadership. Sometimes formal leaders are ill-equipped to address the strong emotional reactions that accompany austerity programs. Indeed, some managers contribute to greater toxicity through intentional malice or inadequate people skills or emotional intelligence (Frost, 2004). There is a need to develop shared leadership across the organisation, whether the people are in formal management roles or not. Second, while we retain Cameron’s four positive leadership strategies, we add to these principles and reframe those that were identified by Cameron.

Recognise the need for Shared and Positive Leadership

Austerity measures impose cognitive, emotional and behavioural demands on organisational members. Managers and leaders are assumed to play a significant role in implementing large-scale austerity measures. Moreover, it is unlikely they have a choice about whether to implement or not; these decisions are frequently made at the political level. However, they may well have choices about how to implement these policies. A concern for positive strategies in an age of austerity must address the orientation of those who make implementation decisions.

Various approaches to leadership have developed in response to critical moments in the organisational life-cycle; Positive leadership (Cameron, 2008), Authentic leadership (George, Sims, McLean and Mayer, 2007; Avolio and Gardner, 2005), Ethical leadership (Kalshoven, Den Hartog and De Hoog, 2011; Brown and Trevino, 2006; Brown, Trevino and Harrison, 2005) and Leadership integrity (Palanski and Yammarino, 2007). We acknowledge that each of these approaches
contributes to our efforts to define positive shared leadership practices in the context of austerity. In this paper we have chosen to focus on Positive leadership (Cameron, 2012).

In this paper we adopt a Shared (Friedrich, Vessey, Schuelke, Ruark and Mumford, 2009; Carson, Tesluk and Marrone, 2007) and Positive view of leadership (Cameron, 2012). Shared leadership implies that multiple individuals “may serve as leaders in both formal and informal capacities, and the shifting leadership responsibilities is often rooted in which individual’s expertise is most relevant to the given problem” (Friedrich et al. 2009). Positive leadership refers to the ways in which leaders enable positively deviant performance, foster an affirmative orientation in organisation, and engenders a focus on virtuousness and the best of the human condition (Cameron, 2012: 2). As Cameron suggests however developing a positive climate does not mean “perpetual happiness, nonstop smiling, or constant cheerfulness” (31).

Cameron (2012: 22) identifies four positive leadership strategies; positive climate, positive relationships, positive communication and positive meaning. These four strategies are likely to be more appropriate during periods of relative stability and less so during periods that involve the actual or perceived threat of downsizing and resource cut-backs.

In this paper we have developed Cameron’s framework to better fit the austerity context. Specifically, we have added two strategies (positive temporal focus and recognising the positive over negative leadership), added a shared positive leadership orientation and reframed the practices identified by Cameron so that they are more consistent with leadership in periods of austerity. The strategies, their description and selected practices are outlined in Table 1.

A focus on positive appears however to be counter-cultural. The evidence suggests that bad is stronger than good (Baumeister, Bratslavsky, Finkenauer and Vohs, 2001). Frost (2004) identifies seven forms of badness or toxicity that may well be intensified by austerity measures as these measures impose non-routine demands on leaders (1) intentional malice, (2) incompetence – managers with weak or inadequate people skills, (3) infidelity or managers who betray their subordinates, (4) insensitivity – managers who are emotionally unintelligent, (5) intrusion by imposing excessive demands, (6) institutional forces – contemporary corporate agendas, and (7) inevitability, inability to avoid pain.

**Develop temporal sensitivity and awareness**

Organisations exist in time and during their lifecycle they are likely to experience periods of stability punctuated by periods of revolutionary change (Gersick, 1988). If organisations exist in time then managers need to think in time and to be sensitive to signals that might suggest that some period of
stability is to be broken. The evidence suggests that managers are not necessarily good at recognizing signals that indicate the need for change (Brazerman and Watkins, 2008). The problem is intensified when managers know that major change is imminent, such as the implementation of austerity measures, yet they are not permitted to share this information with the people who will be affected by those measures.

**Foster a positive work climate that adapts in periods of austerity**

A third positive shared leadership practice is fostering a positive work climate (Cameron, 2012). A negative work climate will adversely affect members’ emotional states. Fostering a positive work climate can be reinforced by, for example, espousing and acting in accord with values and norms that support collective sharing of grief and anger and the acceptance that these emotions are legitimate in the circumstances. Leaders may also need to establish contexts which provide opportunities for sharing grief and anger. Bridges (2003) provides some useful strategies for developing these contexts. The work climate should not only support expression of emotion but also support a problem solving orientation (see, for example, Egan (2006)).

**Foster positive relationships**

A fourth positive shared leadership practice is to foster positive relationships (Cameron, 2006). In the context of austerity this will involve finding people who are particularly sensitive to emotional states and to care for them as being compassionate involves high levels of emotional labour (Frost, 2004)

**Foster positive communication**

A fifth strategy is to foster intrapersonal and interpersonal communication during periods of austerity. Individuals may be more likely to develop positive responses if they feel they have been listened to and their reactions accepted as legitimate. Listening for understanding is one of the most challenging tasks facing individuals, yet the ability to listen effectively can have a positive influence on those being listened to. Individuals should also listen for signs of out of the ordinary stress which may well involve referral to a skilled professional.

**Reinforce Compassion organising**

Austerity measures imposed on public organisations typically elicit strong negative toxic emotions (Frost, 2004) particularly when downsizing and job insecurity is involved. Dutton et al. (2006) argue that organisations differ in how they respond to the expression emotions and pain, which they define as the experience of pain or loss that evokes a form of anguish that threatens an individual’s
sense of meaning about his or her personal experience. Compassion Organising occurs when individuals notice, feel, and respond to human pain in a coordinated way (59). Dutton, Frost, Worline, Lilius and Kanov (2002) outline useful strategies designed to reinforce compassion organisation. For example, individuals at all levels can set an example by being open about their own emotions rather than hiding them.

**Building resilience**

In this section we turn our focus to the individual who experiences pain and suffering as a result of austerity measures and consider the issue of building positive resilience or virtuousness in individuals and teams where virtuousness is defined as the capacity of individuals to bounce back from setbacks in ways that allow them to adapt and grow (Stephens, Heaphy, Carmeli, Spreitzer and Dutton, 2013). Resilience has been related to the constructive expression of emotions which (Stephens et al. 2013). Bridges (1995) provides a useful way to think about work choices, at least once the crisis period has eased. Bridges identifies three capabilities required to handle job insecurity; (1) having the skills, abilities and attitudes employers need at the moment, (2) being able to think like an external vendor hired to accomplish a specific task and (3) have the ability to bend, not break, readily let go of the old, bounce back quickly from disappointments, live with high levels of ambiguity, and to find security from within rather than from outside.

**Table 1: positive shared leadership practices in periods of austerity (a development of Cameron’s (2012) framework)**

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<th>Principles</th>
<th>Selected Practices</th>
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| Recognise the need for shared positive leadership | Recognising that formal management (even leadership) is inadequate in periods of austerity. Indeed, following Frost (2004) managers may contribute through, for example, intentional malice or inadequate people skills and emotional intelligence  
  Recognise that inaction by managers is perceived by others as action that has symbolic significance  
  Coordinate responses across levels led by those with emotional sensitivity                                                                                                                                 |
| Develop temporal sensitivity and awareness       | Recognising that organisations exist in time with the potential for stability and periods in which this stability is punctuated by revolutionary change (Gersick, 1988); monitor signals that some potentially traumatic austerity measure is imminent, encourage everyone to consider  
  Accept that whatever prior preparations are made austerity measure will cause pain and suffering for some and potential guilt for others.  
  Accept that commitment to high performance may be withdraw                                                                                                                                 |
| Foster a positive work climate that adapts in periods of austerity | Establish values and norms that support collective sharing of grief and anger and accept that these emotions are legitimate in these circumstances  
Organise contexts that provide opportunities for sharing of grief and anger (Bridges (2003) outlines several strategies, including holding a wake)  
Build support functions that provide access to professional help where this is required  
Build an problem solving orientation so that expressions of grief and anger can be followed by proactive action  
Help people recognise opportunities and positives (though very carefully) |
| Foster positive relationships | Identify people with a particular sensitivity to emotional suffering  
Protect and care for these people – being compassionate involves high emotional labour  
Encourage networking |
| Foster positive communication | Accept rather than ignore or suppress expressions of pain, suffering and anger  
Monitor self talk in self and others and where the person is in crisis, ensure access to professional counselling  
Listen for understanding both inside and outside the organisation |
| Reinforce compassion organising- this section draws heavily on Dutton et al. (2002) | Set an example by openly revealing your own humanity by being present physically and emotionally, words are not always necessary  
Remind people of the larger purpose of their life  
Manage symbolically  
Model desired behaviour- open expression of emotion and action taking  
Reallocate resources to support people in need  
Set up new routines to focus help |
| Build resilience | Earlier strategies contribute to the development of resilience. For example, the opportunity for constructive expression of positive and negative emotion has been associated with individual resilience (Stephens et al. 2013)  
Help individuals focus on their strengths, using, for example, the tools developed by Bridges (1995) |

**CONCLUSION**

In this paper we have identified positive shared leadership strategies that may contribute to better outcomes for the people who are affected by austerity measures and for the organisations concerned with better managing the austerity-capacity building duality. Our next step is to design a
study that tests these propositions. The context of our research is an Australian state where Austerity measures in 2012 – 13 have involved the total reduction in full time equivalent positions to be about 14,000, constituting some 10,600 redundancies with their payouts likely to cost $800 million and another 3400 in axed temporary contract workers and vacant positions. The cuts which were to save $3.7 billion in 2015-16 and to address what some politicians referred to as a bloated bureaucracy (Courier Mail, September 11, 2012). A small pilot study was undertaken to test the viability of our research. Illustrative data has been gathered from a small group of managers as a first step in a more elaborate research program. The data collected focused on the responses of managers who have had to undertake austerity measures that have been carried out across the Public Sector in the State of Queensland, Australia. These data suggest that negative strategies predominate yet there is clear evidence of positive practices consistent with compassion organising. The issue of austerity and capacity building is likely to be a long term one. We need to develop evidence-based strategies that not only address this issue but also the overriding issue of compassion and respect for those affected.
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