

Prof. Dr. Michael W. Bauer  
Jean Monnet Professor  
Chair of Comparative Public Administration and Policy Analysis  
michael.bauer@uni-speyer.de

November 2015

**CHRISTIAN ADAM**

**MICHAEL W. BAUER**

**CHRISTOPH KNILL**

**PHILIPP STUDINGER**

**THE TERMINATION OF PUBLIC ORGANIZATIONS:  
THEORETICAL PERSPECTIVES TO REVITALIZE A  
PROMISING RESEARCH AREA**

**Publication Details:**

Christian Adam, Michael W. Bauer, Christoph Knill and Philipp Studinger, 2007: The Termination of Public Organizations: Theoretical Perspectives to Revitalize a Promising Research Area, in: Public Organization Review, Vol. 7, No. 3, 221-236.

**Abstract** While many studies deal with comparative public sector reform, the fundamental question of whether and to what extent states are actually able to abolish parts of their administrative structure remains untackled. Despite some efforts to solve this puzzle, the topic remains underestimated. This article identifies the main conceptual and theoretical problems associated with existent research on the termination of public organizations. Furthermore, the article systemizes various causal factors of termination into two broad dimensions: “organizational stickiness” and “political incentives.” Taken together, these constitute a typology, which is able to guide future empirical investigation of the termination of public organizations.

**Keywords** Termination · Public organizations · Policy termination · Administrative reform

## Introduction

Despite the huge amount of literature on comparative public sector reform, little research deals with the fundamental question of whether and to what extent states are able to reduce, i.e. to abolish or terminate parts of their administrative structure. This can be traced to several reasons. First, the study of organizational termination remained a rather small subfield within the policy termination literature. Second, the analysis of the more encompassing topic of policy termination never really took off and remained itself a rather obscure part of the policy cycle literature (Daniels 1997). In other words, the deficits of the broader policy termination project reduced the scholarly expectations about the worth of studying issues of organizational termination considerably. Today, the main question therefore appears to be: is it still justified or was it premature to neglect the termination of public organizations as an independent field of study?

We argue that indeed the potential for studying organizational termination is much higher than is usually recognized. This is the case because—compared to the study of policy termination—it is less problematic (while it is by far not trivial) to identify and nail down the “dependent variable,” i.e. the termination of organizations than it is to conceptually define clearly “policy” termination (deLeon 1978). Second, a number of valuable studies about organizational termination do exist, which, if taken together, provide promising starting points for the systematic study of the termination of public organizations.<sup>1</sup> To explain why these studies remained largely unnoticed is easy: They obviously failed to emphasize and make clear to their readers the broader context and general implications of their individual research endeavours. Put simply, while these studies are sometimes excellent in specifying variables, operationalizing causal factors and testing hypotheses on various (usually difficult to assemble) data sets, they fall short to systematize their results and remain almost completely silent when it comes to the discussion of the general theoretical implications of their work.

In view of this constellation, we suggest to proceed in the following way: in the next section we review the existing literature and identify the crucial factors influencing organizational termination (chance, political turnover, learning and internal organizational characteristics). Subsequently we point out crucial gaps in the termination literature on public organizations which we think will have to be addressed to engage in good empirical–conceptual research on the topic (“Remaining research deficits and gaps”). The detailed discussion of strength and weaknesses of the current literature leads us (“Theoretical perspectives for future research”) to systemize the various causal factors and order them around two broad dimensions, which, taken together, constitute a typology able to guide empirical investigation of the termination of public organizations. In the final section (“Conclusions”) we will conclude about the utility of revitalizing the research of organizational termination.

#### The termination of public organisations: the state of the art

In contrast to studies on private sector organizations, where termination is expected to be widespread and frequent, classical accounts saw public organizations in a very different context. The public sector was typically perceived as a safe environment, consisting of a steadily growing population of organizations, which could live on even if their *raison d’être* ceased to exist (Selznick 1957, Downs 1967, Lowi 1979). This idea of immortal public organizations found broad acceptance among early scholars of public administration, although until the late 1970s no empirical testing of this proposition took place.

#### Kaufman and the “myth of immortality”

The first study to empirically investigate the immortality hypothesis was conducted by Kaufman (1976). He focused on public organizations on the federal level in the USA. Kaufmann collected data on the number of organizations existing in 1923 and

<sup>1</sup> E.g. the article by Robert Behn “How to Terminate a Public Policy: A Dozen Hints for a Would-be Terminator” (Behn 1978) and the conceptual framework by Kirkpatrick et al. (1999).

compared it with the organizations still “alive” in 1973. He found that 27 organizations had indeed been terminated, while during the same period 294 new organizations had been established. In other words, the immortality thesis appeared to be warranted.

It took some time until the political science and organizational sociology community stopped taking Kaufman’s results at face value. In particular, a discussion about Kaufman’s method emerged. First, Kaufman’s sample seemed to be biased towards very durable organizations, as it only included organizations within the “Executive Office of the President” and within the federal departments. Peters and Hogwood repeated Kaufman’s study taking a much broader sample, observing “all identifiable organizations within the federal bureaucracy” (Peters and Hogwood 1988). The second point of criticism referred to the fact that Kaufman merely compared two points in time rather than capturing the development between these two points of measurement. This “middle censorship” led to an underestimation of the actual termination rate. Organizations founded after 1923 and terminated before 1973 (true for many “New Deal Agencies”) did not show up at all in Kaufman’s study. Peters and Hogwood avoided this problem by rating any change of the organizations in their sample over the whole observation period. This way, the authors observed a termination rate of 35%, a much higher effect than suggested by Kaufmann. This constituted a major blow to the “myth of immortality.” The cause of termination, however, still remained unspecified. This deficit was addressed by subsequent studies which focused on potential factors influencing termination.

#### Termination by chance

To answer the above question a first contribution was made by Kaufman (1985) himself, arguing that the termination or persistence of organizations, regardless of whether they are public or private, is simply a matter of chance. Taking an evolutionary approach, Kaufman described organizations as social systems living from the exchange of resources with their environment. If organizations fail to adjust to their environment, they are no longer able to extract resources from it. In this case, they will cease to exist. Therefore the maintenance of the flow of resources, which depends on successful adaptation, is the key to survival.

Successful adaptation, however, for any organization is generally difficult to achieve. First, the choice of appropriate responses is often internally contested, as a result of different interests within the organizations. Second, decision-making processes typically suffer from problems of uncertainty and bounded rationality. Third, the imperfect implementation of the decisions further limits the ability of organizations to successfully adapt to their environment. The combination of the very complex structure of organizations, bounded rationality and implementation problems implies that successful adaptation to the environment cannot be achieved by strategic decisions. Rather, survival, and respectively termination, is basically a matter of chance, with adaptation that actually fits the requirements of the organization’s environment being interpreted as coincidence (Kaufman 1985).

This implies that organizational termination should be distributed randomly, following no specific pattern. Luckily, the implications of this hypothesis are not restricted to public organizations but also apply to private organizations, therefore increasing empirical scope. However, the hypothesis found rather limited support in

such empirical studies (e.g. Brüderl et al. 1996, Audretsch 1995, Woywode 1998). The interest thus quickly turned to other potential explanatory factors.

#### Termination as a result of political turnover

Lewis' study (2002) on agency termination in the USA, for example, tests the impact of political turnover in Congress and the White House on agency termination. According to Lewis, the causes of agency termination all have political overtones. Lewis points out that termination is a political struggle fought with arguments on administrative efficiency or administrative failure. Whether an organization is perceived as efficient or not, crucially depends on political predispositions (Lewis 2002). Political turnover might therefore empower opponents of an agency to put through its termination. Based on these considerations, Lewis hypothesizes that the greater the degree of political turnover, the higher should be the risk of termination. To test his hypothesis, Lewis conducts a survival analysis which allows him to assess the probability, with which an agency is terminated, controlling for possible confounding factors like war, unemployment and the nature of creation. The results basically support his expectations. The degree of political turnover (change of party in government) increases the risk of agency termination (Lewis 2002).

#### Termination as a consequence of learning

A further factor influencing organizational termination is suggested by Carpenter and Lewis (2004). They start from the arguments on agency immortality, as proposed by Downs (1967) and Lowi (1979), which are grounded on the assumption that an agency is able to develop ties to its clients and to accumulate resources over time in order to favor its survival. Consequently, the likelihood of termination should decrease monotonically with the agency's age. In contrast to this expectation, Carpenter and Lewis, however, predict a different shape of the hazard function. They propose a non-monotonic hazard function, "starting at zero, rising to a unique mode, then monotonically decreasing" (Carpenter and Lewis 2004). This non-monotonic hazard function is based on a model of political learning.

According to this approach, politicians need time to learn about the probability with which a newly created agency defects or fails<sup>2</sup> (Carpenter and Lewis 2004). Moreover, for politicians, defection and failure as well as agency termination are costly (Carpenter and Lewis 2004).<sup>3</sup> Therefore, Carpenter and Lewis develop a dynamic utility function of politicians, which serves as a basis for their decisions on agency termination. Based on this utility function politicians face an optimal stopping problem, i.e. whether to terminate the agency or to wait in order to gain more information on the propensity of agency defection and failure. The time needed to "learn" about the agency's performance crucially affects the shape of the hazard function.

<sup>2</sup> Note that Carpenter and Lewis assume "that agency defection and failure are exogenous" (Carpenter and Lewis 2004, p. 206).

<sup>3</sup> Carpenter and Lewis "posit a dynamic utility function under which a politician's losses are equivalent to (1) those costs accruing from defections and failures while the agency is still alive, plus (2) expected losses from termination of the agency under an optimal policy" (Carpenter and Lewis 2004, p. 210).

As soon as an organization is perceived to defect or fail, politicians will try to terminate it. Whether termination can actually be realized, depends on the financial and political situation. The authors hypothesize further that fiscal constraints, namely the government's fiscal deficit, and political constraints, indicated by divided government seriously decrease an agency's risk of being terminated.

To empirically test their theoretical arguments, Carpenter and Lewis use the data of the United States Government Manual (USGM). They indeed find support that the hazard rate of agencies reveals a non-monotonic pattern (Carpenter and Lewis 2004; Fig. 1).

Their findings hence reject the classical Downsian hypothesis of monotonic survival of public organisations. Carpenter and Lewis also specify some conditions under which termination becomes more or less likely. They conclude that "the short- and long-run costs of agency termination make termination less likely during periods when politicians are fiscally constrained" (Carpenter and Lewis 2004). Concerning political costs, the authors see their predictions confirmed as the agencies' hazard rate is 60% higher in periods of unified government than in periods of divided government (Carpenter and Lewis 2004). The same holds true for the variables indicating political turnover.

#### The impact of organizational characteristics on termination probability

As a matter of fact, the intuitively highly plausible factor, i.e. that internal organizational features have an impact on the organization's risk of termination, used to be highly debated in the literature. Up to now there is no clear evidence on the extent to which organizational characteristics influence its survival probability. The emphasis of organizational characteristics emerged, however, as a criticism of a

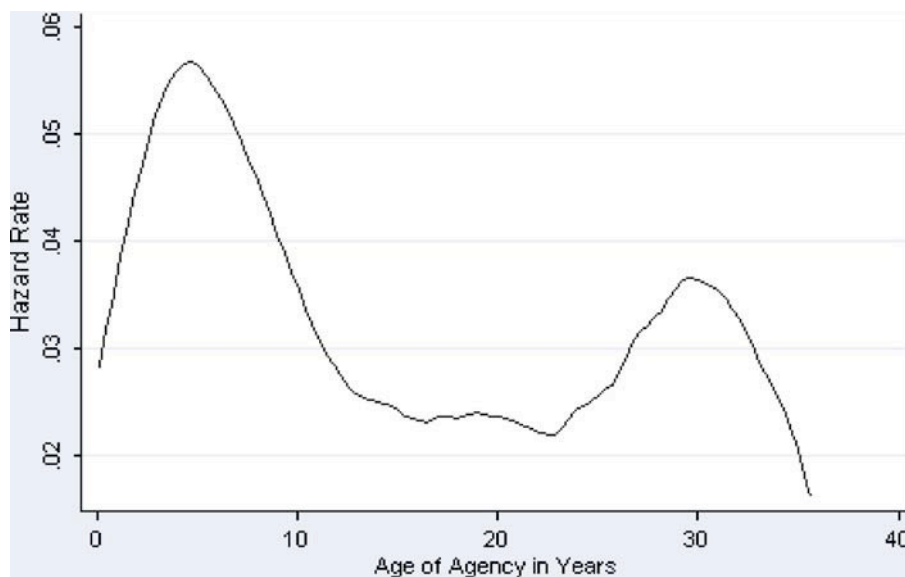


Fig. 1 Nonparametric estimates of hazard rate of bureau mortality (Carpenter and Lewis 2004, p. 215)

mere focus on the competition and the “fit” between organizations and their environment as the central factor of termination or survival. This narrow focus, it is argued, might not be adequate for the purpose of agency termination, since “public agencies simply do not compete in a similar way as private companies do” (Kuipers and Boin 2005).

In their study Kuipers and Boin therefore investigate the impact of four organizational features which are conceived in the literature as being important variables affecting the longevity of organizations.<sup>4</sup> Firstly, the “newness” of agencies is taken into account. Here the argument is that older organizations and those established as a merger of other previously existing organizations are more likely to survive. Secondly, the agency’s size, in terms of budget and personnel resources, is argued to be positively related to its survival. Thirdly, the formal and political autonomy of an organization should increase organizational performance and its public reputation, hence increasing the likelihood of survival. Finally, a variable for the agency’s level of professionalism is included, which is expected to be positively related to agency’s longevity.

The authors analyze 15 “New Deal agencies” as to whether early-life features as presented above are present or absent. Classifying these agencies as short-lived or persistent, they try to identify “which (combinations of) structural features of organizations relate to organizational persistence” (Kuipers and Boin 2005). However, their results provide no support for the claim that organizational characteristics matter. None of them plays a crucial role for the termination or persistence of an agency. Hence, the authors conclude that it has to be questioned whether early-life characteristics are crucial for the development over time (Kuipers and Boin 2005).

#### Remaining research deficits and gaps

While the above-mentioned studies provide important insights and findings, we still have a rather limited understanding of the factors influencing the termination of public organizations. This can be traced to several deficits and gaps in the literature which will be presented in more detail in the following sections.

#### What is termination? Conceptual variety and ambiguity

A first problem is that the existing studies strongly differ in their conceptualisations of organizational termination. This “dependent variable” problem is not only a challenge in terms of empirical comparability, but also problematic with regard to the accumulation of theoretical knowledge about the phenomenon. As is obvious, the way of defining and operationalizing organizational termination has important consequences for the empirical and theoretical findings of the respective studies. As a consequence, the development of a theory of organizational mortality is still in its infancy.

Kaufman (1976), for instance, relies on a cultural approach for defining organizational termination, taking the “boundaries” of an organization as decisive criterion for its existence. Visible symbols of the organizations, rites of induction or

<sup>4</sup> For the discussion of the literature see Kuipers and Boin (2005, p. 3–5) and for the operationalisation Kuipers and Boin (2005, p. 7–8).

departure, evidence of organizational jurisdiction and the perimeters of the internal communication network serve as indicators for the existence of these boundaries (ibid., p. 28). If these elements can be observed, Kaufman assumes that the boundary, distinguishing one organization from others and from its environment, continues to exist; if this boundary can no longer be maintained, the organization loses its organizational identity defined by the cultural indicators mentioned above and therefore has ceased to exist. The disadvantage of this conception lies in the fact that the judgement, whether a boundary is still visible or not, is not operationalized clearly, but is left to the personal judgement of the researcher (Kaufman 1976). It is hence hardly surprising that this concept did not find much support and was rarely applied in later works.

While Kaufman focuses on cultural aspects determining the boundary around and the identity of an organization, Lewis (2002) suggests a definition of termination which is based on purely functional aspects. He defines the termination of an organization as a loss of the organizational identity based on the elimination of all functions of an organization, respectively a change of the functions in combination with a change of name and location (ibid., p. 92). Focusing on private organizations, Woywode (1998), along somewhat similar lines, defines termination as the moment an organization stops all its market activities. These market activities mainly relate to the promotion and sale of products, which pushes the output dimension of organizations to the centre of attention. In other words, if no output is realized, the organization does not exist anymore.

Peters and Hogwood (1988) pursue again a different approach, which, however, also suffers from specific weaknesses. In their concept, "the abolition of an organization with no replacement organization being established" constitutes organizational termination (ibid., p. 132). Despite this very clear definition, how to identify a substitute or "replacement organization" is in our opinion not convincingly specified. The definition by Hogwood and Peters partially overlaps with the approach taken by Kuipers and Boin (2005). They consider an organization as terminated "when the agency abolished, merged into an organization of a distinctly different signature, or absorbed into a much larger organization, by law or executive order." This definition of termination reflects a combination of a legalist and cultural approach to termination. However, they neither offer a clear operationalization of their concept nor do they make clear how they identify a "distinctly different signature" of organizations.

In sum, we are confronted with highly differing concepts and definitions of organizational termination. This problem implies severe obstacles to theoretical advancements in our understanding of termination phenomena in the public sector. However, the "dependent variable" problem is not the only challenge that haunts the organizational termination research. There are a number of further problems resulting from inappropriate research designs.

#### Deficient research designs

The research designs and methodological approaches to study the termination of public organizations suffer from various problems that render it rather difficult to draw general conclusions on causal factors actually affecting termination. These problems include not only biased selection of data, but also insufficiently developed comparisons across countries, time, and organizational subpopulations.



---

*Selection bias towards US-based organizations*

Public organizations usually operate in national contexts and mostly depend on decisions of national politicians. Therefore, the national political environment might play an important role when it comes to the question of termination or non-termination of public organizations. Given the fact that political systems differ strongly across countries, the obvious question is to what extent research findings obtained in one country can be generalized. For instance, to what extent are the findings on the mortality of US agencies also relevant for other countries (cf. deLeon and Hernandez-Quezada 2001)? To what extent can theoretical and analytical concepts actually “travel” across different political systems (Peters 1998)?

The fact that most termination research has been conducted in the USA and hence emerged from a specific cultural and political background indicates that the study of the mortality of public organizations is somewhat biased. Thus, in order to avoid an overly US-centred research focus, we have to find ways to use or even compile appropriate data sets about the development of public organizations over time from other countries than the USA.

*Comparisons across countries*

A further criticism with regard to termination research is that it has too often taken the form of single case studies (Daniels 1995a). While case studies can constitute highly valuable research approaches if they are designed in a systematic fashion (King et al. 1994), research on termination in many instances did not always live up to this standard. In particular, there is a lack of systematic comparisons across countries and across policy areas. In general, comparative case studies seem to be a successful strategy for testing a more general theory of organizational termination (cf. for a successful example deLeon and Hernandez-Quezada 2001).

*Comparisons across time*

In addition to comparing cases of termination across countries, one should not lose sight of the possibility to enhance analytical leverage on the termination issue by comparing diachronically. There is a need for longitudinal analyses that compare termination during different periods of time. For instance, this would allow us to investigate whether termination rates depend on terms of office, terms of legislature or the economic situation? Although there are approaches pursuing this research strategy (e.g. Lewis 2002), much more comparative research endeavours are needed in order to progress in theorizing termination of public organizations.

*Comparisons across subpopulations*

A related problem concerns the different “status” of public organizations. As Hogwood and Peters pointed out, it makes sense to distinguish between different kinds of public organizations. The point here is that we have to create homogenous subpopulations of organizations to be able to rigorously test hypotheses. For instance, Carpenter and Lewis (2004) as well as Kuipers and Boin (2005) provide

evidence that the type of organization, i.e. how and by whom an public organization is created and may be changed, has potential influence on its longevity. That is, agencies which are created by legislation are more durable than agencies created by executive order (Carpenter and Lewis 2004, Kuipers and Boin 2005, Lewis 2002).

A related challenge is the choice of a political system's level at which processes of organizational termination are studied. Up to now termination research focused on the national level exclusively. But there are hints from comparative local government and local administration that at local or intermediate level the hazard rate might differ greatly from the one at national level. Unfortunately, there has been no systematic research comparing mortality between various levels of government.

#### Theoretical perspectives for future research

Given the challenges ahead, the question is what are we able to provide in order to improve the research on organizational termination. In this section—based on the considerations developed above—it is our aim to construct a theoretical framework that addresses some of the identified conceptual deficits in research on the termination of public organizations, hence offering a starting point for revitalizing and stimulating research on the termination of public organizations.

We contend that the discussion shows that a major deficit is that there has been little attempt to synthesize the various empirical results and the different ways of conceptualizing organizational termination. Lacking conceptual clarity about the dependent variable “organizational termination” prevents researchers from systematizing empirical data in view of producing accumulated knowledge about the phenomenon. We do not aspire to solve all problems of research in the area of organizational termination. However, we suggest a typology guiding empirical investigations that may be considered a first modest step towards reintegrating the organization termination perspective into the more general endeavor to unpack organizational change.

Our analysis of the pertinent literature on organizational termination suggests a number of recurring factors or determinants of organizational termination. We propose subsuming these relevant determinants of organizational termination into two crucial dimensions.

The first dimension consists of the external political incentives that push or prevent the development of a critical mass of political will for organizational termination. We call this dimension “external political motivation” and conceive of it in two contrasting poles, i.e. either “high” or “low.” This dimension largely comprises elements of the organizational environment. The most important factors are the following:

*Political turnover* In accordance with the findings of Lewis (2002) we regard the degree of political turnover to be an important factor affecting termination. A power shift offers the occasion to political decision-makers to attempt to terminate organizations which were created by their opponents at a time, when the decision-makers now in power were unable to prevent their creation. Consequently, a high degree of political turnover is positively related with the hazard of termination.

*Societal pressure* Changes in the extent to which public organizations are supported or questioned by powerful private interest accusations might play an important role in determining their probability of survival. This holds true in particular for the influence of such associations and groups that benefit from the survival or termination of the organization in question. The relative power of these interest groups hence is of crucial interest in this respect.

*Problem pressure* Finally, the general performance of organizations appears critical for termination decisions. The less effective and efficient an organization actually is in order to achieve the goals it was designed for or the more these goals have actually lost political or societal relevance, the higher is the probability of organizational termination.

*Budgetary constraints* The overall budgetary situation of a country might also have affect the termination probability of public organizations. The higher the pressures of austerity, the more we should expect decision-makers to consider organizational termination as a way to solve budgetary crises. The extent, to which this strategy actually is pursued, however, depends – among the other factors mentioned above – on the costs of termination. The more financial resources are needed to terminate an organization, the more budgetary constraints will favor the persistence of the status quo. In this context, factors such as the size and age of an organization might play an important role (see below).

External political factors are only one side of the story when explaining organizational termination and persistence. Notwithstanding the – albeit contested – findings of Kuipers and Boin, we still consider it highly plausible (and hence still worthwhile for systematic empirical testing) that the internal characteristics of a public organization have an important impact on the likelihood of survival. Thus, the second important dimension bringing together factors determining one organization's termination fate are internal organizational features, i.e. barriers to swift deconstruction. We refer to this dimension as “organizational stickiness.” The organizational stickiness determines whether the barriers for organizational change are “high” or “low.” The respective factors are the following:

*Age and adolescence* In accordance with the speculations of Kuipers and Boin as well as with the findings of Carpenter and Lewis we argue that survival chances of an organization are positively related with the organization's age. Once organizations pass a critical age threshold, they have a high chance to survive.

*Size* Most studies on the mortality of private organizations argue for a liability of smallness. This means that organizations which are small when they are founded are more likely to be terminated than bigger ones (e.g. Aldrich and Auster 1986). However, more current studies call for a non-monotonic relationship between size and termination hazard. (For a more detailed discussion see Kieser 2002)

*Multi-purpose vs. single purpose* Many structural reforms have tried to “break up integrated ministerial departments of government” in order to install the so called agency-model, “meaning that implementation activities were moved into relatively

autonomous agencies while the policy-making activities remained within a small cabinet department” (Peters 2001). “The assumption is that if an agency has only a single function to perform, and is held closely accountable for performing that activity, it will do the job better than if the same activity is buried within a large multi-purpose organization” (Peters 2001). In other words, bad performance is spotted and monitored more easily in single purpose organizations, and therefore the risk of termination is higher in such single purpose than in multi-purpose organizations.

The crucial implications of the described relationships are captured by the following typology (Fig. 2).

On the basis of this typology we are able to develop hypotheses about the outcome of organizational termination struggles which may predict the likelihood of organizational termination and—equally important—organizational non-termination.

*High stickiness and high political incentives for organizational termination* The starting point for this scenario is a high political will to terminate. One expects decision-makers to put a lot of effort into terminating an organization due to the causes discussed above (political turnover, public pressure, financial pressure, bad performance). If these efforts are met by an organization with high “organizational stickiness,” we hypothesize that structures, respectively the whole organization, will not be terminated but restructured, i.e. in other words reformed. If organizational units or structures are terminated, they will be replaced by new units or structures dedicated to similar goals.

*Low stickiness and high political incentives for organizational termination* The expectation in this scenario is straightforward: high political incentives for termination combined with little organizational resistance. Hence, the likely outcome therefore is organizational termination.

*High stickiness and low political incentives for organizational termination* Likewise a clear outcome is to be expected in this constellation. There is little political

		(endogenous) Organizational Stickiness	
		high	low
(exogenous) Political Incentives	high	1) Reform	2) Termination
	low	3) Status Quo	4) Risk

Source: Own Composition.

Fig. 2 A typology of organizational termination

incentive pushing for termination. At the same time, the organization's capacity to resist demands of termination is high. The most likely result is that the status quo will remain unchanged.

*Low stickiness and low incentives for organizational termination* The fourth scenario is – from the perspective of empirical investigation – probably the most interesting. Despite low organizational stickiness, i.e. low potential defense mechanisms against claims of organizational termination, we do not expect quick change because there is not enough political incentive for termination action. Therefore, a precarious status quo is kept. However, we would expect that due to the implicit instability of the relationships between politics and organizational life, if there is change as regards the political determinants (towards more critical assessment of the organization's performance) the superficial status quo may quickly give way to serious termination action. Therefore, we call the content of this cell "risk." Such organizations are under the threat of instability and insecurity and may quickly find themselves within a real termination situation.

## Conclusions

Classical termination research addressed public policy in general instead of public organizations in particular. Yet, there are good reasons to expect more successful empiric-analytical results, if the fields of policies and organizations are conceptually separated. Thus, we reviewed and restructured the existing research on the termination of public organizations in order to outline the contours of a research agenda.

That is not to deny that the sub-field of organizational termination is haunted by a number of grave, yet not insurmountable problems. Such problems are conceptual as regards the proliferation of too variegated ways of defining and operationalizing the "dependent variable" as well as a matter of research design with respect to the unsatisfactory use of comparison as a strategy for investigation. Our aim was to identify these problems and offer first ideas of how to resolve them. We are convinced that this will enable future research to show whether and in how far patterns of organizational termination are due to the policy characteristics in which organizations are active, to its inherent organizational features or systemic political constellations.

In an attempt to systemize the current state of the art in the study of organizational termination, we synthesized the various factors into a twofold typology. This typology – combining theoretically the endogenous dimension of organizational stickiness and the exogenous dimension of political incentives for termination – is meant as an analytical construct to arrive at systematic hypotheses which are able to guide further empirical research of the termination of public organizations. Its main advantage is to clarify that there are in principle four different termination scenarios and that actor interaction and termination outcome vary accordingly. We consider this typology and further improvements with respect to the applied concepts to be a promising basis for revitalizing the study of the termination of public organization.

## Appendix

Table 1 Different definitions and operationalizations

Study	Definition	Operationalization
Kaufman 1976	Boundaries around the organizational are no longer identifiable.	Visible symbols, rites of induction and departure, evidence of organizational jurisdiction, perimeters of the internal communication network. → however: judgements “largely impressionistic”
Peters and Hogwood 1988	Abolishment without replacement	Not specified
Lewis 2002	Loss of organizational identity: (1) If eliminated with all its functions (2) If it had a name change, location change, and change of function	Agencies are considered terminated if they are included in the “Appendix C” of the United States Government Manual with the exception of those agencies that have simply changed their names or been transferred whole to another larger agency.
Kuipers and Boin 2005	When the agency abolished, merged into an organization of a distinctly different signature, or absorbed into a much larger organization, by Law or executive order.	Not specified.
Woywode 1998	When an organization stops all of its market activities	Deletion of the enterprise from the “Handelsregister” (trade register) Deletion of the enterprise from the “Gewerbemelderegister” (commercial register) Telephone interviews
Hannan and Freeman 1989	An organization ends when it ceases to carry out routine actions that sustain its structure, maintain flows of resources, and secure the allegiance of members. There are four generic types of organizational mortality: a. Disbanding b. Absorption c. Merger d. Radical change of form	Strong changes of organizational structure or resource utilization are treated as terminations. → However: A detailed description of how the changes were observed and classified does not exist.

Table 2 Different samples but one source of data

Study	Sample	Data Source
Kaufman 1976	Agencies within the Executive Office of the President	(a) Lloyd M. Short (1923): “The Development of National Administrative Organization in the United States.” (b) United States Government Manual
Peters and Hogwood 1988	Independent agencies Agencies within the Executive Office of the President Agencies within the executive departments Boards and Commissions	United States Government Manual

Table 2 (continued)

Study	Sample	Data Source
Lewis 2002	All administrative agencies created in the United States between 1946 and 1997, excluding advisory commissions, multilateral agencies, and educational and research institutions.	United States Government Manual
Kuipers and Boin 2005	15 Organizations (all New Deal organizations established between 1933 and 1935)	Multiple Sources (among others: United States Government Manual)

Table 3 Contributions from case studies

Study	Object of observation	Main Findings /What contributed to the termination examined
Behn (1976)	Massachusetts Public Training Schools	Talents, personality and tactics of the terminator; The weakness of the advocates of the institutions; The power of the fait accompli; The support of others; The mood of the times; The fortuitous change in Department of Youth Service leadership;
Bradley (1976)	Mental Health Reform in the USA	Appropriate strategies and tactics of the reformers
Shulsky (1976)	Columbia Motorcycle Squad	Partial compensation of the constituency of the terminated unit
Lambright and Sapolsky (1976)	Federal Research and Development Programs	Decremental funding and the amalgamation of competing R&D programs within the same agency
Cameron (1978)	California's Mental Health System	Ideology;
Frantz (1992)	National Hansen's Disease Center	Bypassing the obstacles to termination identified by deLeon (1978): Anti-termination coalitions Psychological reluctance Institutional permanence Dynamic conservatism Legal obstacles High start-up costs
Daniels (1995a)	Health Care Reform in Tennessee	Strategic actions according to Behn's "A Dozen Hints for the Would-be Terminator" (1978)
Daniels (1995b)	Oklahoma Public Training Schools	Bypassing the obstacles to termination identified by deLeon (1978) (see above)
deLeon and Hernandez-Quezada (2001)	National Solidarity Program in Mexico	Limited applicability of deLeon's obstacles to termination (see above)
Harris (2001)	Term Limits in the Michigan Legislature	Found Daniels' contribution (1997) were useful: necessary for termination: Changing ideologies Building political coalitions unnecessary for termination: Cooption of opponents Financial or economic arguments

Table 3 (continued)

Study	Object of observation	Main Findings /What contributed to the termination examined
Frantz (2002)	National Hansen's Disease Center	Political resources skillfully employed (articulation of goals, description of problems and employment of solutions)
Sato and Frantz (2005)	Leprosy isolation policy in the US and Japan	Termination is an irrational process, which may require the opening of a policy-window.
Shu-Hsiang (2005)	Taiwan's Fourth Nuclear Power Plant under the Chen Shui-bian Administration	Termination is the result of policy image being challenged, new venues being created by strategic intervention and the formation of new winning coalitions.

Table 4 Factors analyzed systematically

Independent variable	Operationalization	Lewis (2002)	Carpenter and Lewis (2004)	Kuipers and Boin (2005)
Fiscal constraints	Budget surplus		+	
Political constraints/ degree of political turnover	Unified government (1)	+	+	
	Unfriendly majority (2)	+	+	
	Unfriendly president (3)	+	+	
	Interaction of (1), (2) and (3)	+	+	
Type of creation	Departmental order vs. executive order vs. reorganization plan vs. creation by statute	+	+	+
Inherent characteristics in agency's early life	Size			-
	Autonomy			-
	Professionalism			-
	Newness			-

The presence of a factor's influence is indicated with +. Its absence is indicated with -. Empty fields indicate that the factor was not investigated in the corresponding study

## References

- Aldrich, H. E., & Auster, E. 1986. Even dwarfs started small: Liabilities of age and size and their strategic implications. In Aldrich, H. E. (ed.), *Population Perspectives on Organizations*: 29–60. Uppsala.
- Audretsch, D. 1995. Innovation, growth, and survival. *International Journal of Industrial Organization*, 13: 441–457.
- Behn, R. D. 1976. Closing the Massachusetts public training schools. *Policy Sciences*, 7: 151–171.
- Behn, R. D. 1978. How to terminate a public policy: A dozen hints for the would-be terminator. *Policy Analysis*, 4: 393–413.
- Bradley, V. J. 1976. Policy termination in mental health: The hidden agenda. *Policy Sciences*, 7: 215–224.
- Brüderl, J., Preisendörfer, P., & Ziegler, R. 1996. Der Erfolg neugegründeter [sic] Betriebe: Eine empirische Studie zu den Chancen und Risiken von Unternehmensgründungen. Berlin.
- Cameron, J. M. (1978). Ideology and policy termination: Restructuring California's mental health system. In May, J. V., Wildavsky, A. B. (Eds.). *The Policy Cycle*: 301–328. Beverly Hills: Sage.
- Carpenter, D., & Lewis, D. E. 2004. Political learning from rare events: Poisson inference, fiscal constraints, and the lifetime of bureaus. *Political Analysis*, 12: 201–232.
- Daniels, M. R. 1995a. Implementing policy termination: Health care reform in Tennessee. *Policy Studies Review*, 14: 353–374.



- Daniels, M. R. 1995b. Organizational termination and policy continuation: Closing the Oklahoma public training schools. *Policy Sciences*, 28: 301–316.
- Daniels, M. R. 1997. *Terminating public programs. An American political paradox*. Sharpe: Armonk, New York.
- deLeon, P. (1978). Public policy termination: An end and a beginning. *Policy Analysis*, 4: 369–392.
- deLeon, P., & Hernandez-Quezada, J. M. 2001. The case of the international solidarity program in Mexico: A study in comparative policy termination. *International Journal of Public Administration*, 24: 289–309.
- Downs, A. 1967. *Inside bureaucracy*. Boston: Little Brown.
- Frantz, J. 1992. Reviving and revising a termination model. *Policy Sciences*, 25: 175–189.
- Frantz, J. 2002. Political resources for policy terminators. *Policy Studies Journal*, 30: 11–28.
- Hannan, M. T., & Freeman, J. 1989. *Organizational Ecology*. Cambridge, MA: Harvard University Press.
- Harris, M. 2001. Policy termination: The case of term limits in Michigan. *International Journal of Public Administration*, 24: 323–339.
- Kaufman, H. 1976. *Are government organizations immortal?* Washington: Brookings Institution.
- Kaufman, H. 1985. *Time, change and organizations: Natural selection in a perilous environment*. Chatham: Chatham House.
- Kieser, A. 2002. Evolutionstheoretische Ansätze. In Kieser, A. (Ed.). *Organisationstheorien* (5th ed): 253–285. Stuttgart: Kohlhammer.
- King, G., Keohane, R. O., & Verba, S. 1994. *Designing social inquiry*. Princeton, NJ: Princeton University Press.
- Kirkpatrick, S. E., Lester, J. P., & Peterson, M. R. 1999. The policy termination process. A conceptual framework and application to revenue sharing. *Policy Studies Review*, 16, 209–236.
- Kuipers, S., & Boin, A. 2005. *The life and death of public organizations: Revisiting the New Deal agencies*. Paper presented at the 21st EGOS colloquium. Berlin: June 30–July 2.
- Lambright, W. H., & Sapolsky, H. M. 1976. Terminating federal research and development programs. *Policy Sciences*, 7: 199–213.
- Lewis, D. E. 2002. The politics of agency termination: Confronting the myth of agency immortality. *The Journal of Politics*, 64: 89–107.
- Lowi, T. J. (1979). *The end of liberalism: The second republic of the United States*. (2nd ed.). New York: Norton.
- Peters, G. B. 1998. *Comparative politics: Theories and methods*. Basingstoke: Macmillan.
- Peters, G. B. 2001. *The politics of bureaucracy*. (5th ed.). London: Routledge.
- Peters, G. B., & Hogwood, B. W. 1988. Births, deaths and marriages: Organizational change in the U.S. Federal Bureaucracy. *The American Review of Public Administration*, 18: 119–133.
- Sato, H., & Frantz, J. E. 2005. Termination of the leprosy isolation policy in the US and Japan: Science, policy changes, and the garbage can model. *BMC International Health and Human Rights* 5, <http://www.biomedcentral.com/1472-698X/5/3>.
- Selznick, P. 1957. *Leadership in administration: A sociological interpretation*. Berkeley: University of California Press.
- Short, L. M. 1923. *The development of national administrative organization in the United States*. Baltimore: John Hopkins Press.
- Shu-Hsiang, H. 2005. Terminating Taiwan's fourth nuclear power plant under the Chen Shui-bian administration. *Review of Policy Research*, 22: 171–186.
- Shulsky, A. N. 1976. Abolishing the District of Columbia motorcycle squad. *Policy Sciences*, 7: 183–197.
- Woywode, M. 1998. *Determinanten der Überlebenswahrscheinlichkeit von Unternehmen: Eine empirische Überprüfung organisationstheoretischer und industrieökonomischer Erklärungsansätze*. Baden–Baden: Nomos.