

Determinants of Cutbacks: Do Coping Strategies Moderates the Relationship of  
Cutbacks and Organizational Performance

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**ABSTRACT**

Quantitative research on cutbacks is very limited. The current study explores the determinants of cutbacks through a survey. Cutbacks mediate the relationship between organizational decline, government policy, and organizational performance. While coping strategies moderates the relationship between cutbacks and organizational performance. CFA, mediation, and moderation were checked through SPSS 19. The survey results of 294 respondents at T1, T2, and T3 show that cutbacks mediate the relationship of organizational decline, government policy, and organizational performance. While coping strategy moderates the relationship of cutbacks and organizational performance. Results emphasize cutbacks and coping strategies in the context of practical and theoretical implications for academia and practitioners.

**INTRODUCTION**

The domain of public management has mainly focused on cost-effectiveness, cost awareness, and value for money. Due to the financial crises of 2008 and its aftermath that manifested in the form of the economic recession that has hit many parts of the globe, the need for cost-effectiveness in the public sector could not be more emphasized. As a result of the crises, radical reduction in the expenses of public sector firms has been enforced in a more radical than strategic way. These changes have emphasized the importance of cutback management in the research and management prices of the organizations. Fiscal stress to which public agencies are subjected at different government levels has resulted in monumental changes being made in allocation, utilization, and overall management of financial, personnel, and organizational resources. The importance of effective and efficient management of resources without comprising on the quality of service especially in the public sector could not be more emphasized because the cutback on the resources after the financial crises for a much longer time has become a regular practice. Cutback management and the scarcity of resources have been studied. parkDifferent research studies conducted have focused and highlighted different perspectives, but rarely the coping strategies adopted by the organization and how employees react and perceive the fiscal stress have been addressed (Park, 2018). The major focus of the studies conducted after the financial crises has been

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on a specific perspective of the change management domain which emphasized the management role in the changes adopted which are associated with cutbacks (Park, 2018).

In times of fiscal stress when there exists an intense need to reduce costs, the choice of decision obeys the public organizations mainly revolve around either to delay the cutback or implement the cuts in expenses. Cutback practices may include halting the hiring and compensation to employees, downsizing of the offices, the cutting may be proportional to the requirements, it may be targeted and gains from the middle ground strategy (Pollitt, 2010).

Outdated cutback strategies such as recommending cutback for reductions, postponing in the filling of positions of vacancy and cuts across the boards were associated with rather new strategies such as considering client requirements while prioritizing, establishing new partnerships with stakeholders and improving practices of personnel and management by Austin (1984). Purging of not well-fitted employees when there is a requirement of improving the performance of an organization may be beneficial (Chadwick 2007). Cameron, Whetten, and Kim (1987) defined organizational decline as "a substantial, absolute decrease in an organization's resource base over a specified period." How organizations respond to financial decline has been called "cutback management in the literature of public management and it is defined as "managing organizational change toward lower levels of resource consumption and organizational activity" (Levine 1979).

The factors that have been explored in the previous studies are important like new government responsibilities, how cutbacks and transformations are associated, selected tactics of cutbacks affecting and length of fiscal stress, and the extent of how cutbacks application relates to work engagement and organizational commitment of public firms of Dutch (Wolman and Davis 1980; Levine, Rubin and Wolohojian 1981; Levine 1985; Glassberg 1978; Dougherty and Klase 2009; Hartley 1981; Rubin and Willoughby 2009; Scorsone and Plerhoples 2010, Thynne 2011; Dabrowski 2009; Gieve and Provost 2012). This specific study is the first one that explores the organizational decline and government policy as determinants of cutback to the best of the author's knowledge. This study also explores firm performance because of cutback considering the moderating role of coping strategies. Another novelty of the current study is that it also includes private sectors organizations in the sample. Previously in public administration, only government institutions were studied. Research implications will be of monumental importance for practitioners and policymakers. The following research questions are answered through this study: What are the determinants of cutbacks and do coping strategies moderate the relationship between cutbacks and organizational performance? The further paper explains the literature review methodology and results. The current study is concluded with research limitations and future directions.

## **Literature Review**

Cutbacks are introduced in the literature of 1980 when taxpayer proposition 13 was implemented in California and the Reagan government put huge cuts on the budget. According to past studies cutbacks are strategic level temporary decisions taken by the government to reinstate fiscal balance as a result of fiscal crisis. The current study defines cutbacks as the lower level of resource utilization as a result of organizational restructuring and change in processes (Overmans and Noordegraaf 2014).

Multiple policy-related research investigated the association of economic growth, energy supply foreign direct investment, and firm's competitiveness internationally. Conditions that directly link public policy with firms suggest that effective and efficient implementation of public policies affects the economic and business performance at each level of a firm. Studies of rammer explored how government policies affect export performance. Most researches explored the impact of government policies on a firm's financial performance (Plank and Doblinger, 2018 Jaraité and

Kažukauskas 2013). In times of crisis, government controls the cost by imposing restrictions on employee health quota and health budget. Reimbursement quota and healthcare costs for government employees are restricted to a limit and money is more utilized on necessary expenditure to provide good services to the general public (Yan, Jianzhou, 2019). Resource scarcity and organizational decline have been studied in public administration since 1970. Several studies investigated how government institutions survive under critical environmental conditions and fiscal stress. It is important to measure how organizations perform with limited resources. In times of financial crisis, organizations reduce the human resource to control cost and increase performance (Park, Sanghee 2019). Therefore in this context, it is proposed that government policy and organizational decline are positively associated with organizational performance

H1 (A): government policy is positively linked with organizational performance.

H1 (B): Organizational decline is positively associated with organizational performance.

### ***Government Policies and Cutbacks***

As a result of cutbacks, organizations faced different outcomes like moral dilemmas at the line level. Cutbacks are implemented as a result of policy change. In this context administrations also account for consequences while constructing new policies or changing existing policies (Orfield 1991). Several studies highlight the importance of consideration of staff dynamics while setting cutback policies (Edwards, Lebold, and Yankey 1998). A prime source of finance for government institutions are public budget, therefore, most of times cutback are massively implemented because of policies in response to the financial crisis (Van der Voet and Vermeeren 2016). In response to crisis management change in powers and control usually happens. Governments function speedily in hard times which results in policy change and quick legitimization (savi & liiv 2015). Decision-making is more centralized and taking retrenchment decisions is necessary. Limited resources and cutbacks are the primary agenda. It is essential to devise cutbacks from top to down as monetary measures and policies changed to cope with the situation (savi & liiv 2015). Based on the above literature government policies trigger cutbacks in times of crisis. From Hypotheses 1 is constructed.

H2: Government policies are positively related to cutbacks.

### ***Organization Decline and Cutbacks***

Samuel 2010 explains that globally several organizations downsizing decisions and gradually reach a decline stage (Peretz & Vinarski 2019). The organizational decline is usually considered as bankruptcy (Probst & Raisch, 2005). While increased competition loss of market share, revenue, and decrease in goodwill and retrenchment in human and financial resources is also named as organizational decline (Cameron 1983; Ghazzawi & Cook, 2015; Chhinzer & Currie, 2014) restructuring (Hambrick & D'Aveni, 1988) loss of the local or international market share (Burt et al., 2002; Harrigan, 1982; Jackson et al., 2005; Mellahi, 2002; Mellahi & Wilkinson, 2004; Starbuck et al., 1978), or the failure of its leadership to swift the essential changes to attain its goals or endure its growth (Ghazzawi & Cook, 2015; Giessner & Van Knippenberg, 2008; Meindl & Ehrlich, 1987; Probst & Raisch, 2005). One of the reasons for organizational is a financial crisis. While in crisis time's organizations moves towards retrenchment and decline policies. Organizational decline and cutbacks literature considered organization environment and uncertainty theories. According to research, people exhibit different attitudes in response to cutbacks and decline. Layoffs, seniority, hiring freeze even % cuts, and zero-based budgeting are famous cutbacks implemented during organizational decline as a coping strategy to increase performance (Piatak

2019). According to previous literature organizational declines cause the implementation of cutbacks.

H3; Organizational decline is positively related to cutbacks.

### ***Government policy, Organizational Decline Cutbacks, and Organizational Performance***

The oil crisis in 1970 resulted in a reduction in the level of government spending (Levine 1978). After the mid1980 when the economy is flourishing focus on cutback management research was also decreased (Bozeman 2010). However, after the financial crisis of 2008 cutbacks again catch researchers' eye. (e.g., Bozeman, 2010; Cepiku & Bognomi-Savignon, 2012; Kickert, 2012; Overmans & Noordegraaf, 2014; Pandey, 2010; Pollitt, 2010; Raudla et al., 2013). In times of financial crisis in response to government policy and organizational decline, cutbacks are implemented as an austerity control measure to improve the efficiency and overall performance of the organization (Bozeman, 2010; Pandey, 2010; Raudla, Savi, & Randma-Liiv, 2013). The administrative response model explains that government prefers systematic decision-making in times of economic crisis. At initial stages of decline level of cutbacks are low but as the level of decline increase, it is necessary to target cuts (Klase 2011). According to administrative response model cutbacks as a tool of control selected by the government when the level of resources and change in government policy in response to a crisis. To cope up with uncertain situation government take strict actions in shape of cutbacks (Scorsone and Plerhoples 2010). There is an unlike association between cost and performance while cutbacks are the most convenient way to increase performance (Damanpour and Schneider 2008; Hood and Dixon 2015). Public organizations react to economic challenges in a unique way which builds the relationship between resource and performance. According to literature effective management of organizational resources is important in the context of organizational performance (Brewer and Selden 2000; Boyne 2003; Meier and O'Toole 2002, 2009; O'Toole and Meier 1999, 2004; Walker, Boyne, and Brewer 2010). Cutbacks are implemented in this regard to improve the performance across the board and on the whole organization (Hood and Wright 1981; Pollitt 2010). Based on the above literature and explained by the administrative response model it is proposed that cutbacks mediate the relationship of organizational decline, government policy, and organizational performance.

H4 (a): Cutbacks strengthen the relationship of Organizational decline and performance.

H4 (b): Cutbacks strengthen the relationship between government policy and performance.

### ***Coping Strategies as Moderator***

Coping is described as "an individual's efforts to master demands (conditions of harm, threat or challenge) that are appraised (or perceived) as exceeding or taxing his or her resources" (Monat & Lazarus, 1991). Coping styles plays a very important role in understanding an individual's responses towards the stressful event (Grennan & Woodhams, 2007). Past researchers like (Pollard and Kennedy 2007) explored that coping strategies were comparatively stable and suggest that there is a dispositional element to coping and several categorizations have been described in the literature ( De Ridder 1997). (Roger, Jarvis and Najarian 1993) divides coping strategies into two types; adaptive and maladaptive styles. Adaptive Coping strategies are further named as rational and detached coping while maladaptive coping is emotional and avoidance coping (Roger, Jarvis, and Najarian 1993). According to literature, rational coping is alternatively used as task-oriented & problem-focused coping. It involves trying to change the conditions of the stressful event by using a problem-solving approach. Perhaps this is opposite to detached coping which poses that create a distance or disassociate you from such happenings (Grennan & Woodhams, 2007; Roger 1993). It

has been seen that detachment and rational coping is more fruitful than avoidant or emotional coping

(Freeman 2005). Emotional coping is more related with handle emotional distress and avoidance coping is specified as avoiding or ignore a problem to remain calm (Grennan & Woodhams 2007). According to the literature implementation of cutbacks is perceived as results in job insecurity and stressful situation. While public show resistance when cutbacks are implemented. Moreover, it also results in a low level of job satisfaction, organizational commitment, and organizational performance (Pandey 2010). For effective implementation of cutbacks support from organizational members is needed. In this context explained above for implementation of effective implementation of cutbacks coping strategies plays an important role and moderate the relationship of cutbacks and organizational performance.

H5: Coping strategies moderate the relationship of cutbacks and organizational performance.

## **Methods**

### *Participants and Procedure*

Three different time intervals were chosen to collect data from private and public hospitals in the country. The overall period for the data collection was over 2 months with three intervals having a lag of a week or two between each interval when data was collected from the same respondents? At these intervals, very specific questionnaires which were personally administered to respondents were given to collect data. To explain the purpose of the study and what it comprises, all the participants were given a cover letter. It was voluntary participation by all respondents, and they were assured of the confidentiality of responses in the study. Before data collection could begin, to ensure access to all these organizations – their HR departments were reached. To make it easy to collect data at a second and third interval from the same employee, each questionnaire was assigned a tracking ID together with time gap defined.

Upon first interval or T1, 350 surveys were distributed containing the measures related to dependent, independent, and moderator variables of the study including organizational decline, government policy cutbacks, coping strategies, and organizational performance. With a response rate of 84% at T1, around 294 surveys were received which were completely usable. At T2 or second interval, after a lag of about two weeks – respondents who gave usable data were reached out to fill in a second survey that comprised of independent variables of the study including government policy and organizational decline. Around this time, with a response rate of 88% surveys received back that could be reused were 310. Eventually, after two weeks of T2, at the third interval or T3 – participants who gave usable data form at T2 were asked to complete a third survey having questions about mediator and moderator variables of the study which includes coping strategies and cutbacks. This time around 290 completed questionnaires were received and overall 82% response rate for the study was reached.

The respondents differed in their ages, gender, education, hierarchical levels, departments, and other demographics.

## Measures

Questionnaire was written in the English language. A 5-point Likert scale ranging from 1=strongly disagree to 5=strongly agree was used to get responses on the items. High values indicated high levels of that variable and vice versa.

*Organizational decline (OD).* IPM was tapped by a 6-item scale developed by Sanjay Mohapatra. (2013). Sample items of this scale are "Unable to meet payroll crisis" "No marketing rumors about the organization", "Poor internal control" and "Major conflict between executive directors". The Cronbach  $\alpha$  for this scale was found to be 0.79. *Government Policy (GP).* GP was tapped by a 3 items scale used by Ringa et al (2013). Sample items for this scale "Proportional cuts across-the-board over all areas." and "Targeted cuts according to priorities (reducing funding for certain areas, while maintaining it for the prioritized ones)". The Cronbach alpha reliability for this scale was found to be 0.78."

*Cutbacks (CB):* CB was measured by 5 items used by COCOPS Survey (2013) Sample items of this scale are "Staff layoffs" and "Hiring freezes" and "Pay cuts". The Cronbach  $\alpha$  for this scale was found to be 0.77.

*Coping strategies (CP).* CP was measured by a 4-item scale adapted from (Bonnie brittle 2020). Sample items for this scale are "Take Action to change things" and "Just take nothing personally". Cronbach  $\alpha$  for this scale was 0.74 in the current study.

*Organizational performance.* It was measured by a 6-item scale developed by "Xueyuan Liu et.al 2018". Sample items of this scale are "The customer service level" and "The reliability of services". Cronbach  $\alpha$  for this scale was found to be 0.75.

## Control Variables

Due to age and department, variations in the outcome variables were indicated by a one-way ANOVA test. In addition, total and present experience, age were of importance also but due to being continuous or having less than three categories, their effects were directly controlled.

## Confirmatory Factor Analysis

Confirmatory factor analysis was conducted to shape the discriminant validity of the variables of the study. As per Gerbing and Anderson (1988), one on one variables pairing needs to be evaluated against a respective one-factor model of each. Therefore, firstly a full measurement model was tested (CFA of all variables in study) and it was equated to a one-factor model in which all the variables' items were loaded onto a latent single factor.

Furthermore, In addition, variables that were measured at the same time interval and were answered to by the same participant were compared to their one-factor models of each. In every scenario, a multiple factor model with no constraints appeared to be better suited than the earlier mentioned single factor models which mean discriminant validity of our study variables was adequate. Table 1 shows CFA results

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Table 1  
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## Results

Descriptive statistics are given in Table 2, Cronbach alpha reliabilities and Bivariate correlations among the main variables of the study are also given. Organizational decline was positively correlated to organizational performance ( $r=0.32$ ,  $p<.001$ ), government policy ( $r=0.35$ ,  $p<.001$ ). Additionally, a Positive correlation was found between Organizational and cutbacks ( $r=0.36$   $p<.05$ ) and government policy ( $r=0.38$ ,  $p<.001$ ) while cutbacks correlated to organizational performance ( $r=.65$ ,  $p<.05$ ).

Table 2

For assessment of mediation and moderation effects, the Preacher and Hayes (2004) macro using the bootstrapping technique through SPSS 19 was used. For testing the moderation hypotheses results at  $\pm 1$  SD the significant interaction terms were plotted. In support of H1(a), H1(b), the findings showed that organizational decline and government policy was significantly and positively connected to operational firm performance through cutbacks e.g. 95% confidence intervals around the indirect effects did not contain zero [.14, .31] [.12, 27]. Direct effects of organizational performance and government policy was correlated with cutbacks ( $r=.38$   $p>0.05$ ) ( $r=.36$   $p>0.05$ ) hence H2 and H3 was accepted. Besides, the Sobel test value for the normal theory test showing formal two-tailed significance test also authenticated these findings (Sobel, indirect effect=0.04,  $Z = 6.59$ ,  $p<0.001$ ) (Sobel, indirect effect=0.03,  $Z = 7.01$ ,  $p<0.001$ . Hence H4(a,b) mediation hypotheses were accepted.

Table 3

Table 4 shows that cutbacks and coping strategies interaction were positive and significant for organizational performance ( $\beta=.08$ ,  $p<.01$ ). Furthermore, the bootstrapping technique at 95%CI also verified that cutbacks had conditional direct effects on organizational performance at varying levels of moderator, particularly for high cutbacks (see table 4). Consistent with H2, Figure 2 indicates that the positive link between cutbacks and Organizational performance is stronger (and positive) at high levels of coping strategies as compared to low coping strategies. Thus, H5 was accepted.

Table 4

Figure 2

**Table 1**

## Confirmatory Factor Analysis

<b>Model</b>	$\chi^2$	Df	$\chi^2 / \text{Df}$	CFI	GFI	AGFI	NFI	RMSEA
<b>M0: Hypothesized Five-Factor Model</b>	<b>685.17</b>	<b>425</b>	<b>1.61</b>	<b>.89</b>	<b>.83</b>	<b>.80</b>	<b>.80</b>	<b>.04</b>
M1: One-factor model by combining all variables into one-factor (OD, GP, CB, CP, OP)	170.58	99	1.72	.87	.80	.78	.83	.06
M2: One factor model combines (OD, GP) in to one factor	<b>892</b>	<b>433</b>	<b>2.06</b>	<b>.77</b>	<b>.75</b>	<b>.78</b>	<b>.67</b>	<b>.17</b>
M3: One factor model by combining (CB, CP)	1241	437	2.83	.61	.77	.73	.76	.15

Note: n=260, where, OD=Organizational decline; GP= Government policy; CB= Cutbacks; CP=coping strategies; OP=Operational firm performance.

**Table 2**

Means, Standard Deviations, Correlations, and Reliabilities for Key Variables in the Study

Variable	Mean	SD	1	2	3	4	5
1. Government policy	3.73	0.95	(.78)				
2. Organizational decline	3.45	1.09	.51**	(.79)			
3. Cutbacks	4.01	0.94	.38**	.36**	(.77)		
4. Organizational performance	4.41	0.95	.35**	.32**	.65**	(.75)	
5. Coping strategies	3.47	1.00	.42**	.59**	.45**	.64**	(.74)

Note n=294, Control Variables are Organization name, department, age, Cronbach's alpha reliabilities are presented in parentheses. \* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$ .

**Table 3**

Mediated Regression Analysis Results

	Variable	R	R <sup>2</sup>	B	SE	t	p
		.38	.14				
1	Direct effects of GP on CB			.38	.05	7.01	.000
2	Direct effects of OD on CB	.36	.13	.36	.04	6.63	.000
3	Direct effects of CB on OP	.65	.42	.65	.04	14.72	.000
4	Direct effects of GP on OP	.35	.12	.35	.05	6.36	.000
5	Direct effects of OD on OP	.32	.10	.32	.04	5.74	.000
<b>Indirect Effect and Significance Test Using Normal Distribution</b>							
				Effect	SE	Z	p
	Sobel			.04	.03	6.59	.000
				.03	.02	7.01	.000
<b>Bootstrap Results for Indirect Effects</b>							
				M	SE	LL95% CI	UL 95% CI
	Indirect Effects CB			.2259	.0425	.1442	.3122
	Indirect effects CB (OD)			.1944	.0388	.1248	.2751

Note: n= 294, Control Variables are, department, age. OD=Organizational decline; GP= Government policy; CB= Cutbacks; CP=coping strategies; OP=Operational firm performance. Bootstrap Sample Size=5000. LL=Lower Limit, CI= Confidence Interval, UL= Upper Limit.

**Table 4**  
Hierarchical Moderated Regression Analysis

Predictors	Organizational performance					
	R	R <sup>2</sup>	Estimate	SE	LLCI	ULCI
Step1	.77	.59				
Constant			.22	.40	1.03	.57
Cutbacks			.72	.10	.52	.93
Coping strategies			.76	.12	.51	1.00
Step 2	$\Delta R^2$	.0119				
CB x CP			.08	.02	.14	.02
<b>Conditional Direct Effects of X on Y at Values of Moderator (i.e., CP) (Slope test Results)</b>						
<b>T</b>						
<b>Moderator</b>	<b>Coping strategies</b>					
<b>DTP</b>	<b>Effect</b>	<b>Boot SE</b>	<b>LLCI</b>	<b>ULCI</b>		
CP -1SD (-.72)	.52***	.04	.42	.61		
CP mean(0.00)	.43***	.04	.35	.52		
CP +1SD (.72)	.35***	.05	.24	.46		

Note: n= 260, Control Variables are, department, age. OD=Organizational decline; GP= Government policy; CB= Cutbacks; CP=coping strategies; OP=Operational firm performance. Bootstrap Sample Size=5000. LL=Lower Limit, CI= Confidence Interval, UL= Upper Limit. \* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$

**Figure 1**  
Research Model

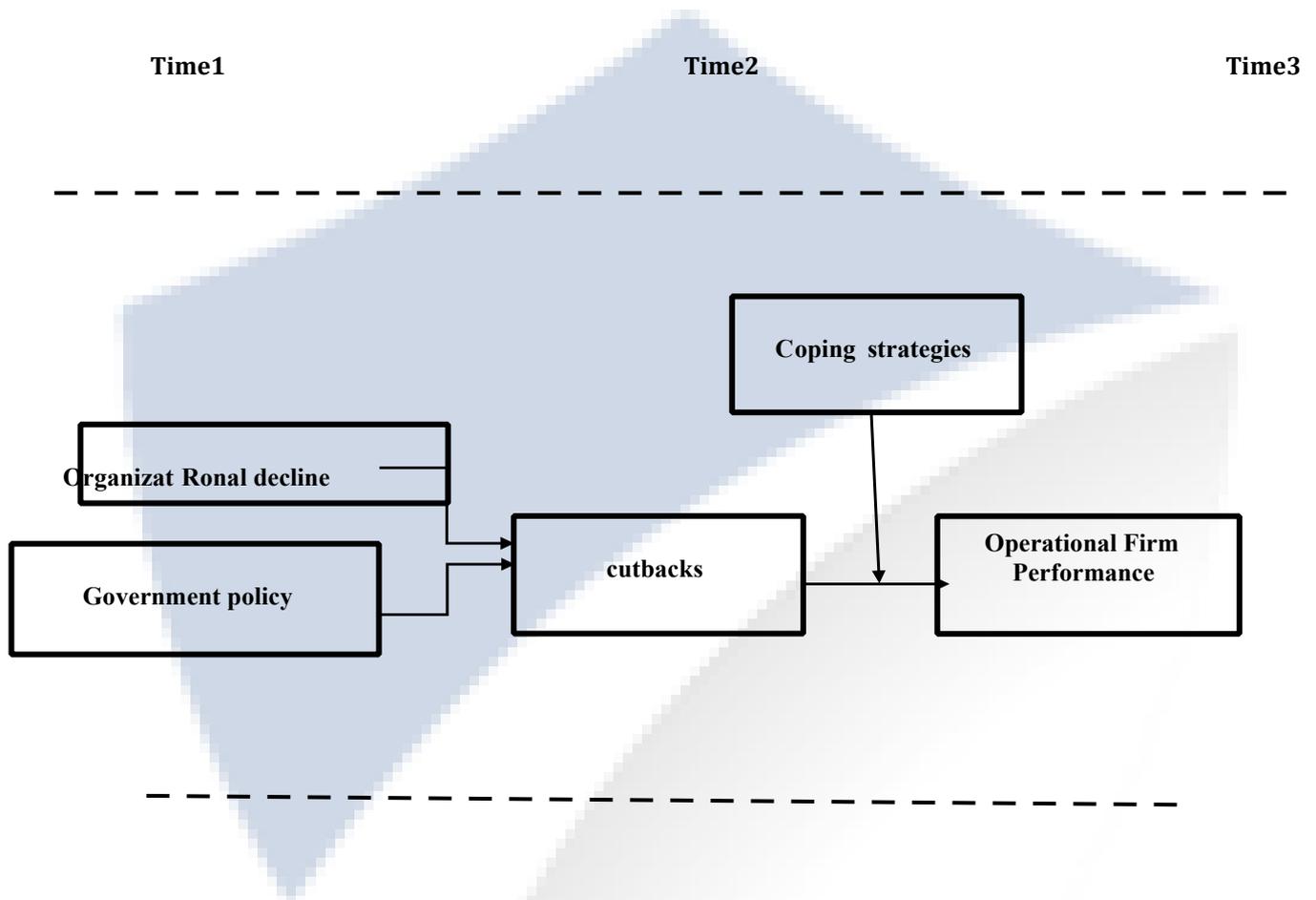
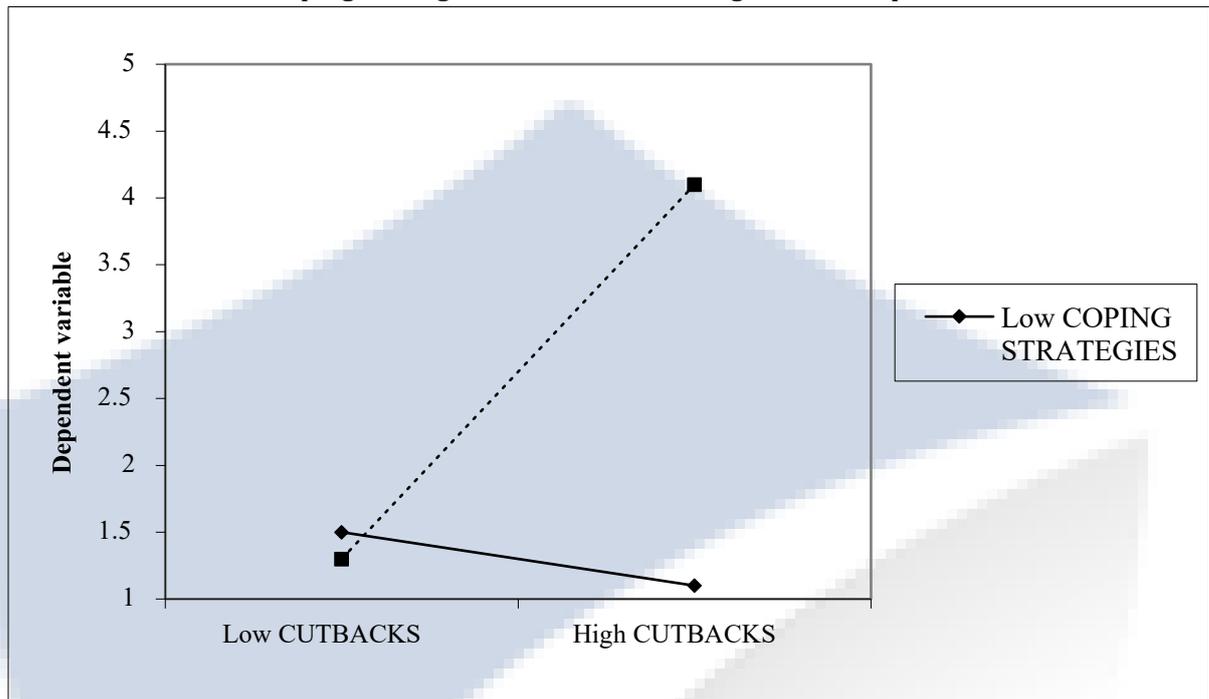


Figure 1 indicates a model where organizational decline and government policy leads to operational firm performance through cutbacks. Coping strategies moderates the relationship between cutbacks and organizational performance.

**Figure 2**

Interaction Effects of coping strategies on cutbacks and organizational performance



### Result from Discussion and Limitations

The current study investigates the relationship of organizational decline and government policy with organizational performance while this relationship is mediating by cutbacks. Besides this coping strategy moderates the relationship between cutbacks and organizational performance. According to the results mentioned above organizational decline and government policy are positively associated with organizational performance. When organizations are declining their performance is poor. Similarly, government policies also affect organizational performance. An increase in organizational decline will lead to a decrease in organizational performance. To control the performance and chase the performance balance organizations implement cutbacks. Cutbacks mediate the existing relationship and weaken this. According to results implementation of cutbacks increases the performance. The purpose of the implementation of cutbacks is to control performance which is proved through mediation. On the other hand, cutbacks exhibit negative effects. Coping strategies strengthen the relationship between cutbacks and organizational performance. In prior studies coping studies were taken as mediators (bonnie brittle 2020). Results of direct effects and moderation depict that all hypotheses were accepted. This study is limited in the context of data collection and common method biases. one of the limitations of this study is it used perception-based scales. in this study, researchers perceive that in response to government policy and organizational decline cutbacks were implemented while constructing questionnaire items perception base items were used. This study also considers very limited determinants while in the environment there might be other factors also which leads towards cutbacks. Another limitation was it only includes the health sector in data collection while other sectors are equally important. Another limitation was while the collection of data people's biases related to filling of questionnaires might affect the results. Answers to the questions are dependent upon the mood of respondents.

### Conclusion and Future Directions

The current study used 294 responses from the health sector to determine organizational decline and government policy as a determinant of cutbacks.in response to financial crisis organizations face

decline and in times of government policy also changed which leads to the implementation of cutbacks to maximize organizational performance. CFA, mediation, and moderation analysis were performed to report the results. Results were reported through SPSS 19. Results support all the hypotheses and conclude that organizational decline and government policy are determinants of cutbacks. Cutbacks are changing management's vital strategy to control the organizational performance in times of financial crisis. Implementation of cutbacks is important for the enhancement of organizational performance. While coping strategies plays important role in the effective implementation of cutbacks. The results of the current study provide important practical and theoretical implications.

Policymakers and decision-makers use this study's results before the implementation of change and can control the performance in times of crisis through various cutback strategies. Theoretically, no study had previously built this type of relationship and linked it with theory. Theoretical explanation of model is an addition in the existing literature. Another practical implication is it portrays the importance of coping strategies. Coping strategies mitigate the negative effects of cutbacks and help organizations to enhance organizational performance. Many organizations face failure Results show that this kind of hard situation can be controlled by coping strategies. This study provides future directions. Further researchers can conduct this study in different sectors and emerging countries as well. Another future direction is other factors in the environment might be also determinants of cutbacks which can be investigated in future studies. Future studies can also construct the scale for determinants of cutbacks.

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