

Stockholm School of Economics
Department of Accounting
Master Thesis in Accounting and Financial Management
Spring 2017

**PMS and the Application by Organizational
Actors of Diverging Institutional Logics:
Insights From a Swedish NGO**

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The purpose of this paper is to explore how the institutional logic dimension, the rationale actors within an organization identify with, influences the incorporation of an organizational business logic-saturated PMS. The research is executed in the form of a single-case study of a humanitarian aid agency operating as a non-profit organization in Sweden with a strong, charity logic driven workforce. Our findings provide support to the observations that NGOs of today more frequently introduce formal and financially orientated PMS in an attempt to resolve numerous contextual challenges, and we further discuss some of the limitations of quantitative and cybernetic-focused evaluation approaches for assessing social value creation. The increased emphasis on business logic orientation, through the implementation of an organization-wide PMS and manifested by increased financial focus and uniformity, more structures, frequent internal reporting and follow ups, stands in contrast to the deep-rooted democracy, informality and flexibility typically characterizing this sector, that has traditionally provided the staff force with a high level of freedom and autonomy. We find that the relation between the dual logics, how they interplay, highly varies within different organizational units and we also suggest how such inconsistencies can be explained. In this way, we indicate that NGOs have the potential to be much more multifaceted than previous researches have displayed. Furthermore, in contrast to (most of) the NGO researchers, who have primarily studied managerial responses on an organizational-wide level, our study highlights the role of lower level leaders (unit managers) in response to the diverse demands of their subordinates and senior managers, by allowing decoupling, blocking and, the previously unexplored, concept that we name ‘selective blocking’ of logics.

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Keywords: Performance Measurement Systems, Management Control, Institutional Logics, Institutional Theory, Hybridization, NGO, non-profit sector, social value creation

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1. Introduction

1.1. The Dynamic NGO Arena

Over the past half century, NGOs are observed to scale up and play an increasingly important role in addressing global social challenges such as inequality, environmental pollution, Middle East conflicts, social exclusion and unprecedented refugee crisis that are commonly referred as humanitarian or social value creation activities. NGOs of today are found to conduct much of the work that only 20 years ago, was primarily associated with the governmental agenda. This shift is regarded to be the result of elevated governmental and public expectations on what these NGOs are supposed to achieve, both in terms of number of activities and improved quality of service delivery. Furthermore, civil society's expectations on commercial companies to engage in corporate social responsibility activities (CSR), is believed to currently re-define the relationship between private sector organizations (companies) and NGOs, as the emerging pressures on companies to engage in pro bono- and philanthropic activities, are observed to result in intensified interactions and partnerships between these private companies and the non-profit organizations. In addition, the number of idealistic and volunteer driven charity organizations and humanitarian grass root initiatives is extensively increasing ¹ and due to modern technology, NGO entry barriers have practically eroded, as anyone with a strong enough vision and a modern enough mobile device has the sufficient prerequisites to find and organize like-minded individuals in humanitarian activities outside the conventional NGOs, resulting in a significant growth of social value oriented grass root initiatives, further elevating the competition for external funding within the NGO arena (Brunsson 2011; Einarsson & Wijkström, 2007; Einarsson, 2008; Svedberg, 2005; Wijkström & af Malmberg, 2005; Holmes et al., 2007; Doherty et al., 2014; Unerman & O'Dwyer, 2008; Kasland, 2016; McInerney, 2015; FRII 2015).

The emerging importance of NGOs' contributions to social value creation, has given rise to a growing interest in the academic world and in society at large, of how these organizations can incorporate control and performance mechanisms that on the one hand provide a fair

¹ As many of the young, humanitarian networks and grass root initiatives are not always accounted for in the statistics, we chose not to elaborate on the magnitude, in absolute numbers, of the expansion of the NGO arena. However, in 2008 to 2010, the number of *registered* NGOs in Sweden competing for domestic fundraising is estimated to have increased by 15%, from 346 to 398 (Alpha Organizational Capability Assessment & Certification (OCAC) Report, 2015). Swedish civil society organizations (CSOs) can receive funding from SIDA (The Swedish International Development Organization) by having 'framework' agreements with SIDA or with its sub-granting organizations, and can also conduct public fundraising through The Swedish Fundraising Council (FRII).

representation of the social value created, but also manage to appeal to and become accepted by the staff force in these organizations (Cordery & Sinclair, 2013)

To cope with the levered scrutiny and competition, numerous NGOs introduce formal, organizational wide, performance measurement systems (PMS) in their attempts to better capture and externally communicate the social value created by the organization (Chenhall et al., 2010; Tucker & Thorne, 2013; Unerman & O'Dwyer, 2006). However, researchers within the academic world of NGO performance measurement, have time and again observed that the incorporation of comprehensive PMS's to try to assess NGO performance, increase cost efficiency and to become more transparent and attractive to outside funders, often leads to scepticism and even resistance, amongst the NGO staff force (Tucker & Thorne, 2013, Chenhall et al., 2010; 2013; Kraus, Carlson-Wall & Messner, 2016; Kraus, Kennergren & von Unge, 2016; Doherty et al., 2014;) rooted in a concern that increased focus on optimizing financial performance, will be carried out on behalf of the quality of the social value created (Doherty et al., 2014; Hardy & Ballis, 2013; Unerman & O'Dwyer, 2006). An additional consideration with NGO performance measurement is connected to the nature of these organization's service delivery. NGO's dominance of non-resource generating and non monetizable activities, is argued to make it extremely challenging to quantify and systematize NGO performance. Still, quantitative-intensive metrics are found to often the mainstays of the new, formal NGO performance evaluation systems (Unerman & O'Dwyer, 2008; Tucker & Thorne, 2013; Herman & Renz, 2004; 2008; Saj 2003; Cordery & Sinclair, 2013; Gray, 2006).

The above findings indicate that an NGO's ability to render necessary resources while simultaneously carry out its social mission, and do it in a way that gets acknowledged by the NGO staff force, is not a frictionless enterprise. With such a complex set of prerequisites, it is argued that although NGOs need to be able to show potential donors that they perform well enough to deserve their funding, it is at the same time of essential importance to make their highly mission committed staff force accept and comply with the new methodologies and reporting procedures, to ensure mutual consensus and information flows and to build a collective understanding of priorities, throughout the whole organization (Tucker & Thorne, 2013; Chenhall et al., 2013; Kraus, Carlson-Wall & Messner, 2016; Kraus, Kennergren & von Unge, 2016; Doherty et al., 2014).

Although the design, implementation and NGO staff reaction towards these systems has somewhat been explored by previous scholars, those studies have generally focused on concluding that such tensions *do* arise, without further attention on *how* NGO leaders actually go about to resolve these tensions. Furthermore, previous researches have primarily been performed on an overall, organizational level while our ambition, in contrast, is to explore on a deeper level how individuals actually try to handle these tensions. We do so by performing a single-case study at the Swedish, humanitarian NGO Alpha. More specifically, we seek to understand:

“What are the challenges of introducing a formal PMS throughout an NGO and how do different actors within the organization respond to and seek to resolve the confrontation of logics that such a system presumably gives rise to?”

The analytical tools that will be used as guidance to interpret our observations, is the theory of institutional logics, and, closely intertwined, hybridization theory. We find that in Alpha, unit-managers’ responses to reconcile increased ‘professionalization’, in our case represented by senior management’s decision to introduce a PMS tool throughout the whole organization, with the strong charity logic of the subordinates, results in either ignoring (decoupling) or suppression (blocking) of the charity logic. We also show that these strategies can vary over different units, which contrasts greatly to the general view that such managerial responses happen on an organizational-wide level. Hence, our research contributes to the understanding of the management in organizations where two logics coexist (‘hybrid organizations’). In addition, we add to the knowledge of the challenges and implications for introducing formal PMS in non-profit organizations. Finally, our research also contributes to the comprehension of the NGO governance chain, the manifestation of the internal information and feedback flows, which up until today has been given very little attention.

The thesis is structured accordingly: In the following chapter we will provide an overview of the main conclusions within the field of NGO performance measurement; of the contextual implications and challenges of assessing NGO performance and the observed staff tensions that might arise from such a transition. Next, a description of the shortcomings of the current, academic understanding will follow, as well as a brief summary of how previous researchers have sought to resolve this gap. An introduction to the theory of institutional logics and

hybridization theory will follow. Finally, our empirical findings, the analysis of those and an overall conclusion will supersede.

2. Theoretical Development

2.1. Performance Measurement in the NGO Sector

2.1.1. The Increasingly Important Role of the NGO Sector

The term non-governmental organization (NGO) encapsulates many diverse types of entities as there is not one generally accepted definition of what constitutes an NGO. Yet, an NGO is widely understood as a not-for-profit organization, independent from direct control by the state or by any international, governmental organizations. In this paper we identify an NGO through a de facto approach by the characteristic of its activities and operations and we take a definition used by the United Nations:

A non-governmental organization (NGO) is a not-for-profit, voluntary citizens' group, which is organized on a local, national or international level to address issues in support of the public good. Task-oriented and made up of people with a common interest, NGOs perform a variety of services and humanitarian functions, bring citizens' concerns to governments, monitor policy and programme implementation, and encourage participation of civil society stakeholders at the community level. They provide analysis and expertise, serve as early warning mechanisms and help monitor and implement international agreements. Some are organized around specific issues, such as human rights, the environment or health (United Nations, 2005, cited by Gray et al., 2006).

NGOs, through more intense interactions with actors in the public and private sectors, are found to play an increasingly significant role in today's society. With their vast economic presence worldwide and with a growing number of people benefitting from their services, NGOs' societal influence is considered to be "rapidly evolving" (Unerman & O'Dwyer, 2008). Still, and counterintuitive to their wide reach and social impact, these organizations are simultaneously in a position where they lack direct resource control, as the main part of their capital, the donations, are generated outside the organizations. This unique characteristic indicates that NGOs need to take into consideration the preferences of both individual,

commercial and governmental donors in their strategic, operational and performance assessment development, as these stakeholders are ultimately the ones that “control access to key resources” and thus “have the power to progress or retard the achievement of an NGO’s key objectives” (Unerman & O'Dwyer, 2008). Due to this rare circumstance and in order to cope with increased public and governmental demands, the more frequent interactions with private sector companies, and tougher competition from other non-profits, researchers within the NGO field regard it as crucial for these organizations to be able to communicate the level of social value they have created, in a way that addresses to the demands and preferences of actors within the other sectors. Put differently, there is an essential and growing need for NGOs to build support and legitimacy with upstream stakeholders, to ensure crucial inflow of resources in order to ultimately achieve their goals (Ebrahim, 2002; Ritchie et al., 1999; Moore, 2000; Cutt, 1998).

2.1.2. The Emerging Popularity of NGO Performance Measurement

Although there has been “surprisingly little research on how [NGO] boards and management work together to ‘co-produce’ governance functions”(Cornforth, 2012), the organizational performance and the assessment of it, is nevertheless to a high extent dependent upon senior management's' inclinations, as these individuals are ultimately responsible for the strategic decisions related to the acquiring and distributing of resources, as well as for the choice of PMS. Saj (2013) studied how the governance-related responsibilities and areas of interest varied between board members and other organizational members in the charity organization under study. By comparing the use of performance information by board and lower-level organizational members, he found strong empirical evidence that the former emphasized a great focus on monitoring organizational financial performance while “non-financial measures of output, outcome satisfaction, and service quality were not aggregated beyond the program level due to the diversity of the program suite” (Saj, 2013) was given considerably little analysis and consideration. These findings undoubtedly stand in contrast the informal, flexible and collective systems of control processes that traditionally have dominated the performance evaluation practices in the NGO arena. (Ebrahim, 2002; Tucker & Thorne, 2013; Saj, 2013; Chenhall et al., 2010; Unerman & O'Dwyer, 2006). Parker (2008) and Herman & Renz (2004) reached similar conclusions. More specifically, the latter analyzed empirical data of NGO boards and management practices, and found financial assessments to be the unparalleled area of interest amongst NGO top leaders.

Brown (2005), through the use of regression analysis, showed that if the NGO board was exposed to a high level of external scrutiny and evaluation, the more likely these boards were to perform a lot of financial and quantitative performance evaluations. Indeed, the current NGO tendencies to adopt more formal means of control- and performance assessment packages, is regarded to be the result of the increased competition within the arena, making it more challenging to secure the obtainment of public, private and institutional grants. In particular, research has brought to light that numerous NGOs are becoming more business orientated in their actions, structures and philosophies, that they develop strategies targeted towards increasing funding and efficiency, and that the increased incorporation of formal, quantitative and cybernetic-focused control- and performance measurement systems is a natural and inevitable part of this transition (Chenhall et al., 2010; Tucker & Thorne, 2013; Unerman & O'Dwyer, 2006). The observed 'business inspired' terminology currently winning grounds within the nonprofits of today, is regarded to be an additional reflection of the current NGO professionalization in these organizations' incorporation of for-profit sector practices (Tucker&Thorne, 2013, Kaplan, 2001; Wijkström & af Malmborg, 2005; Doherty et al.,2014; Ebrahim, 2002; Unerman & O'Dwyer, 2008; Chenhall et al., 2010).

2.1.3. The Challenges of Quantifying NGO Performance

In short, previous findings conclude that today's NGO board members address great interest and focus on financial performance, service provision and advocacy, manifested by the incorporation of formal and professional PMS, focused towards "resource use, measuring immediate impacts using short-term quantitative targets, and a standardisation of indicators focusing attention exclusively on individual projects, campaigns or organisation" (Unerman & O'Dwyer, 2008) in their pursuit to better measure the social value created. While attention is put on the rendering, distribution and monitoring of resources, limited focus is observed to be put on non-financial measures (Parker 2003; Saj, 2013; Tucker & Thorne, 2013).

In contrast to commercial companies however, the purpose of a non-profit organization is not to maximize financial value. This actuality, according to the major part of NGO researchers, makes the aspirations to, through the new PMS's, quantitatively assess social value creation a "controversial" process due to the "need to monetise outputs and outcomes that may not be traded in a marketplace" (Sinclair & Cordery, 2013; Martello et al. 2010; Tucker & Thorne, 2013; Doherty et al., 2014; Skelcher & Smith, 2015; Ebrahim, 2002). Due to NGOs "often-

disparate goals and objectives”, attempts to measure social value performance outcomes by quantitatively assess the increased life quality of the people helped, are associated with a high “degree of complexity in control efforts generally beyond that faced by a for-profit organization” (Tucker & Thorne, 2013; Kores & Müllerschön, 2016; Kraus, Kennergren & von Unge, 2016; Ebrahim 2002). Other scholars describe these new NGO aspirations as “bogus measures of efficiency” (Unerman & O'Dwyer, 2008) and “convenient but potentially misleading” (Unerman & O'Dwyer, 2008). Critical voices are also raised in regards to the ethical aspects of formal PMS, as the profound quest of NGOs to show upward transparency and efficiency, through increased professionalization, has given rise to a concern that these organizations will become more normative in their actions, disturbing their social mission accomplishment (Ebrahim, 2005; Lloyd, 2005; Najam, 1996). Increased NGO focus on quantitative and standardized performance assessments in their search for funding, is by some scholars even regarded to have the potential to deteriorate the quality of the NGO service provided, arguing that introducing formal, donor oriented, performance measurement mechanisms make the NGOs lose their focus on their fundamental humanitarian direction, as increased financial focus might happen at the expense of the well-being of the staff and beneficiaries; the organization’s internal and downward stakeholders (Ebrahim & Rangan, 2010; Unerman & O'Dwyer, 2008).

Under any circumstances, the performance evaluation of NGOs is clearly not as straightforward as of commercial sector actors’, where simply by looking at the bottom-line number in the financial statement, the reader can form a general opinion about the company’s performance and the value of its business activities, and in addition compare it to other actors within the same industry (Gray, 2006). Despite the limitations of trying to assess the *quality* of the social value created through *quantitative* evaluation, commonly referred to as ‘social impact measurement’, such an approach has nevertheless served as the most conventional performance assessment method in the NGO arena in the past decade (Cordery & Sinclair, 2013; Herman & Renz, 2008; Tucker & Thorne, 2013). In addition to the scepticism about this approach’s ability to quantitatively assess NGO value creation, the critique is also directed towards the complicated and highly resource-intensive task of sorting out and process collected data, as executing impact measurements require NGOs to collect, interpret and prioritize between extensive amounts of data, serving as a basis for drawing conclusions about the performance of a project. The adversaries argue that NGOs, rather than investing in

resource intensive performance tools to measure social value, should instead be spending their money on actually *creating* social value.

If defining outcomes as “the state, condition, impacts on, or consequences for the community, society, economy, or environment resulting from the existence and operations of the reporting entity” (Cordery & Sinclair, 2013), another apparent drawback of “mechanically measure impacts” (Unerman & O'Dwyer, 2008) is that the value created in the NGO activities is often long-term and highly dependent upon external factors and unforeseen events. Therefore, the NGO value accomplishment can arguable only to a limited extent be captured in quantitative- and short term- evaluations, resulting in an inherent difficulty for NGOs to comply with the institutional and governmental funding cycles (Cordery & Sinclair, 2013).

2.1.4. PMS and NGO Staff Orientation

The exploration of the many complexities characterizing the NGO arena, including the two sets of ‘target customers’ and the hard-to-measure value creation, as seen, greatly complicates the development PMS’ that manage to provide a fair representation of the NGO performance. However, critique towards formal PMS is not only coming from the external, academic world, the internal skepticism towards these new practices is just as apparent.

An element that makes NGOs fundamentally different from commercial organizations is the rare attributes of their manpower. Although hygiene factors such as salary levels, internal health care programs and administrative resources are often significantly more modest than within the private sector, NGO staff is yet found to be characterized by high moral standards as well as by a strong commitment to fulfill the social value mission of the organization. Some NGO scholars have even reported on an “ideological aversion” (Tucker & Thorne, 2013) amongst these individuals, of being compared to for-profit employees (Saj, 2013; Chenhall et al., 2010). On the basis of these contingencies, it is of interest to explore the consequences of the current professionalization within the non-profit arena, and for an understanding for how NGO performance can be “measured, conceptualized, operationalized and used for control efforts” (Tucker & Thorne, 2013) in a way that appeals to and becomes accepted by the employees of these organizations, as these individuals are the ones that ultimately carry out the NGO operations.

Tucker & Thorne (2013) illustrated how NGO staff below manager levels are usually alienated from the choice of control and that there is negligible participation of lower-level staff in both the development and the usage of PMS. A general and straightforward explanation for this low level of involvement is that, just as in many commercial companies, the NGO staff force has limited understanding of financial and organizational-level strategic matters. Other researchers, however, have concluded that the reason for NGO subordinate's disconnection from these issues, is to a large extent due to that these individuals do not *care* about economic concerns. Even if the theoretical importance of economic funding becomes understood by the NGO staff members on a theoretical level, financial issues are found to be given no intellectual nourishment or practical considerations in the daily works of these individuals (Kraus, Kennergren & von Unge, 2016)

The incorporation of PMS is however challenged by more than employee indifference. Numerous scholars report on a “strong resistance amongst [NGO] staff” and “continuous struggle of power and control” (Kraus, Kennergren & von Unge, 2016; Chenhall et al., 2013) between the (senior) promoters and (lower-level) antagonists of increased quantitative and financial focus when formal PMS are introduced within NGOs. A pair of scholars who have experienced such a tension is Chenhall et al (2013). The researchers saw that in the case-welfare agency studied, the introduction of formal PMS had negative effects on the motivation of the staff force and was met with evident refusal by these individuals. In the past years, numerous scholars have reported on similar observations (Wouter & Wilderom, 2008; Cordery & Sinclair, 2013; Chenhall et al., 2014).

As NGO employees, whether it be in religious organizations, hospitals and non-governmental organizations, are typically highly motivated by and oriented towards contributing to the NGO humanitarian mission accomplishment and as the delivering of social value is regarded to be the primary commitment for many of these individuals, the main explanation identified to their aversion towards formal PMS', is their fear that increased efficiency focus will distract the NGO from fulfilling its core activities and maintaining a high-quality service delivery (Doherty et al., 2014; Hardy & Ballis, 2013; Unerman & O'Dwyer, 2006). It is also found that the tensions are more apparent if these systems are employed in a coercive way (Chenhall et al., 2010).

As already brought to attention, scholars in the field of NGO PMS-implementation have found that the customary performance assessment practices of these organizations have mainly constituted of informal dialog and communication between managers and subordinates. Self-regulation, including personal feedback and social interaction, vertical dialogue, a high level of participative decision making and tolerance of mistakes are additional characteristics that traditionally have characterized the NGO management and performance assessment (Chenhall et al., 2010; Tucker & Thorne, 2013). These, often relaxed and ‘non-structured’ practices thus stand in apparent contrast to the ongoing incorporation formal and top-down induced PMS which “deliberately articulates controls with the use of quantitative information to focus attention on the capabilities of the NGO to deliver and manage in a businesslike manner” (Chenhall et al., 2010). Indeed, it is observed that the higher NGO staff’s initial levels of autonomy and “informal, organic processes” (Chenhall et al. 2010) are, the more immense will their resistance and “clash” (Chenhall et al., 2010; 2013; 2014) spawned from the introduction of formal measurement systems, become.

To unify the deeply rooted mission orientation of the NGO staff with the introduction of formal control packages, literature has time and again advocated the strategy to link the employees’ social welfare values to the PMS, highlighting that employees will only accept and “shouldering the burden” (Kraus, Kennergren & von Unge, 2016) of increased formality and the cost- and efficiency pressures that often follows, if they see these systems as prerequisites to continue with their primary, social welfare missions (Chenhall et al., 2010; 2013). Creating manageable compromises between the “complex array of stakeholders, programs, internal interest groups, and external environmental influences” (Tucker & Thorne, 2013) and “many masters” (Young, 2002) in the design of the PMS, or even linking the PMS to the social welfare values of the NGO by assigning it symbolic significance and modifying the NGOs original values to be more embracing of economic concerns, are regarded to be two “powerful instruments” (Kraus, Kennergren & von Unge, 2016) for making NGO staff comply and accept implementation of formal controls and help to resolve tensions between the informal traditions and the more bureaucratic processes. Frictionless PMS implementation is thus claimed to depend upon the design, communication and functional coexistence between the formal and informal practices, where a linkage between these two should exist, as this is found to help the employees envisage the role and relevance of the formal PMS (Sandlin, 2008; Bisbe & Otley, 2004; Chenhall et al., 2010; Tucker & Thorne, 2013; Kraus, Kennergren & von Unge, 2016).

Some scholars even are of the opinion that if implemented correctly, either by creating manageable compromises between values or by aligning the control package with the targeting the employee's' beliefs, feelings and values, not only will staff resistance be avoided, but in addition has the potential to make the PMS serve as a tool “through which employees' levels of engagement and emotions can be mouldered and managed” (Boedker & Chua 2013) in a way that makes the staff ultimately more efficient in delivering on the core organizational values (Tucker & Thorne, 2013).

2.1.5. The Emerging Interest of Multidimensional PM in the NGO Arena

Due to NGO staff resistance towards quantitative PMS and because of the limitations of quantifying social value creation, a growing stream of NGO scholars talk in favor of more multidimensional and “holistic” (O'Dwyer, 2008) performance measurement approaches. In particular, recent researchers within the field of implementation of management control- and performance systems in NGOs, have concluded that in order to successfully show legitimacy towards all stakeholders, not only towards donors but also to build and maintain internal and downward contentedness, staff and beneficiary feedback and perceived satisfaction, rather than “narrow, short-term, [PMS], favoring the use of quantitative measures designed to assess specific aspects of NGO ‘performance’ to powerful NGO patrons” (Unerman & O'Dwyer, 2008) should be the primary tools for guidance and evaluation of social value creation. Together with suitable - not the least qualitative- performance assessments for each identified objective, a more balanced focus between the needs of the downwards customers and staff members and the financial orientation of the upwards customers, is said to be the (successful) outcome. Such a comprehensive approach to assess performance assessment, is by its advocates seen as a crucial strategy for these organizations to successfully carry out their primary, beneficiary targeted mission, while at the same time maintain financial stability and a satisfied staff force. Thus, the holistic performance assessment path could be regarded as a methodology for the non-profit organizations to better respond to and balance different stakeholder expectations and thus manage to maintain resource inflow as well as motivated employees (Martello et al., 2011; Herman & Renz, 2008; Tucker & Thorne, 2013; Hayes, 2016; Kaplan, 2001; Chenhall et al., 2013).

The interest in more multidimensional NGO performance reporting has also been receiving a steady increase in appraisals in the past few years, by important intergovernmental

organizations and influential unions, one of them being the Swedish Fundraising Council (FRII). The council lately introduced the requirement of quality reporting as a mandatory self-regulation tool for its member-NGOs. FRII member organizations now have to complement their annual reports with an additional paper where they (in descriptive terms) assess the effect and impact of their operations. The need for complementing the annual reports in this expressive way is by FRII believed to provide a more complete and transparent picture of NGO performance. Similar voices have been raised within the United Nations. In the U.N.'s World Humanitarian Summit in 2016, an annual meeting for humanitarian aid oriented NGOs and public institutions around the world with the purpose of improving the humanitarian service delivery, the benefits of a more non-numerical and descriptive performance assessment approach were given much emphasis. More specifically, the argumentation largely involved that NGOs, in their performance evaluations, should seek to take into consideration the specific needs of the targeted beneficiaries. Moreover, the feedback and opinions of the downstream customers when evaluating NGO performance, should ideally and to a much larger degree be incorporated into the analysis, Summit authorities stressed (Summary, World Humanitarian Summit 2016).

One such approach, favored by the Summit, is the results-based management (RBM) methodology. RBM advocates emphasize that NGOs should be able to describe their planned activities and, throughout the implementation process, continuously communicate on the outcome. This methodology rests on two fundamental pillars; one of them being that, since it is challenging to standardize the NGO operations and therefore benchmark NGO performance, traditional, quantitative, PM reporting should preferably be complemented with descriptive assessments of the results of the carried out operations. In contrast to impact measurement, the use of narratives is encouraged, as this is believed to “help enrich the picture of what a program has achieved” by “providing further evidence of the change and demonstrates how the change has affected people or conditions” according to Managing for Results (SIDA, 2014). One such ‘description based’ communication strategy is the concept of ‘storytelling’, whereby a large extent of the communication, towards donors and sometimes also towards the employees, occur through the uses of narrative. Action Aid is one of the first NGOs that to a high extent has incorporated this approach, while simultaneously decreasing its efforts on classical, impact reporting. The organization has found the narrative approach to

reduce bureaucracy and help the organization's members to focus on beneficiary value creation (Unerman & O'Dwyer, 2008) and written it in their ALPS² guidebook.

The second pillar of the RBM is the idea that in order to provide a well-balanced descriptive outcome assessment, it is crucial to break the overall NGO outcome down into operational- and, ultimately, individual level performance. It is claimed that such a mapping of how each member of the organization contributes, provides a richer picture of the overall outcome. Hence, the RBM strongly encourages individual participation and project-level goal fulfillment.

Also SIDA, one of the Swedish governmental agencies and likewise an important NGO benefactor, have in recent years started to encourage the NGOs it funds to incorporate elements of the RBM, arguing that more of a descriptive and holistic PM methodology is appropriate since “NGOs should be judged by what they make happen” (SIDA, 2014).

2.1.6. Conclusion: Performance Measurement in the NGO sector

In summary, there is an observed trend within the NGO arena to adopt more formal, quantitative intensive PMS. This can be seen as a reflection of the increasingly competitive business landscape, resulting in more rivalry for crucial resources. At the same time, however, due to the challenges of quantitatively assessing NGO value creation, influential donors and additional NGO agenda setters' newly awakened interest in multidimensional approaches of performance measurement, signalizes that pure quantitative reporting is insufficient for assessing NGO social value creation.

NGOs continuity will undoubtedly depend upon their capacity to simultaneously render resources and deliver social value. As more influential actors within the NGO arena start to see a need for more non-quantitative PMS, and due to the apparent resistance amongst NGO staff force towards increased formality and financial orientation, of senior management's concern should be the development of PMS that manage to, at least to some extent, encapsulate the non-measurable nature of the social value created, in a way that appeals to it's mission-committed staff force. In order to succeed with such a challenge, the need to

² Alps, Accountability, Learning and Planning System, is a framework that sets out the key accountability requirements, guidelines and processes in Action Aid International.

understand the profound nature, orientation and perspectives of these individuals, is inarguable of fundamental importance. The theoretical framework that will be used for this very purpose, is the theory of institutional logics, and, closely intertwined, hybridization theory.

2.1.7. Gaps in Current Research

The researchers within the field of nonprofit performance measurement, have time and again observed that introducing formal measurement systems in NGOs, may lead to scepticism and even resistance amongst NGO staff (Doherty et al., 2014; Skelcher & Smith, 2015; Kraus, Carlson-Wall & Messner, 2016; Kraus, Kennergren & von Unge, 2016; Chenhall et al., 2010, 2014; Hustinx & Waele, 2015; Martello et al., 2011; Hayes, 2016). Although several scholars in the field have confirmed that the design, implementation and staff acceptance of such systems is seldom a frictionless process, our research, in contrast, seeks to explore how NGOs actually go about managing these tensions; what is the approach by NGO leaders and, in particular, how do subordinates respond to it?

Previous researchers have studied the aspects of suchlike tensions at an overall, organizational-level (Crilly et al., 2012; Boxenbaum & Jonsson, 2008; Bromily & Powell, 2012; Kraatz & Block, 2008). Our approach, in comparison, is based upon the fundamental standpoint that the nature of these tensions might differ within the very same organization, and hence that the NGO is much more multifaceted than previously understood, which is a research outset shared by a very limited number of NGO scholars (Doherty et al., 2014, Skelcher & Smith 2015; Chenhall et al., 2013, Kraus, Carlson-Wall & Messner, 2016), as we seek to explore how such tensions can embody *within* (unit-level) the very same organization. Due to our choice of research path, our study will consequently also add to the understanding of the NGO governance chain, which, up until today, has been given very little attention (Wilkström et al., 2016). Furthermore, due to aims of our research, the unit-level manager's - subconscious or conscious- strategies to handle the tensions will be of particular interest, as these managers ultimately are the "key linkage between institutional logics and intraorganizational processes" (Pache & Santos, 2013) by being synchronously exposed to the, as shown, diverging concerns and preferences of NGO subordinates and senior managers.

2.2. Institutional Logics and NGO Hybridization

2.2.1 Introduction

Operating within an arena characterized by many complex and sometimes conflicting sets of goals and objectives, NGOs are unquestionably exposed to the diverse demands of a variety of individuals (Tucker & Thorne, 2013; Pache & Santos, 2013). The theory of institutional logics distinguishes the “principles, practices and symbols” which are believed to influence and shape individual and organizational behavior within a particular institutional field and represents the frame of reference in which specific rationale and self identity is perceived by individuals. (Thornton & Ocasio, 1999). Through the lens of institutional logics theory, the dissimilarities in values and expectations of various stakeholder groups stem from that different individuals identify with different cultures, values and rationales. In other words, individuals empathize with dissimilar institutional logics (Friedland & Alford, 1991; Thornton & Ocasio, 1999, Wijkström, 2011).

The comprehensive professionalization of many modern NGOs, not only in the form of introduction of formal tools for PMS, but also through more hierarchies and company-influenced rationale and jargon, can through the institutional theory perspective be described in terms of an increased influence of business logics in organizations that traditionally have been dominated by a charity logic (Brunsson 2011; Einarsson, 2008). In addition to an underlying mission to provide social welfare and enforce societal change, significant factors typically and traditionally attributable to charity logic organizations, the NGOs, and their individuals, include strong ideological values, humanitarian orientation, flat organizational structures and a high level of inclusive decision making (Moore, 2000; Tucker & Throne, 2013; Skelcher & Smith 2015).

Connected to the institutional logics theory is the concept of ‘NGO hybridity’. Due to the ongoing NGO professionalization, the term ‘NGO hybridization’ is getting increasingly more room in the ongoing academic debate within the nonprofit arena, as the term encapsulates the NGO incorporation of business logics.

2.2.2. Diverging Institutional Logics and the Incorporation of Formal PMS

The widely accepted reason to why non-formal performance assessments and management control tools have traditionally “assumed a greater relative significance in the overall [NGO] control package” (Tucker & Thorne, 2013) is by institutional logics theory explained by that such approaches are more in line with the charity logic of the NGO staff force as these individuals are found to be primarily driven by strong moral beliefs and (humanitarian) work ethics. Hence, informal control- and performance packages are considered to harmonize well with these staff member’s sources of motivation, values, areas of interest and perception of what constitutes as ‘good performance’ (Kraus, Kennergren & von Unge, 2016; Chenhall, 2013; Irvine, 2011; Cordery & Sinclair, 2013; Kaplan 2002; Tucker & Thorne, 2013).

From the viewpoint of institutional logics, the well-documented NGO staff resistance towards increased professionalization, is hence due to that it clashes substantially with their charity logic rationale. Friedland and Alford (1991) go as far as to contend that the “main reason for conflicts and difficulties to arise in organizations and between their people or departments is due to different opinions about when which institutional logic should be applied”. Others within the field have observed that hybrid-NGO staff members risk becoming confused by the dual logics and regard it as problematic and obstructive in their daily work (Besharov & Smith, 2014; Chenhall et al., 2013; Stark, 2011; Hustinx, 2015; Irvine, 2011). Consequently, this is found to often result in tensions and “distorting effects” (Doherty et al., 2014) in the form of staff evasion, obstruction and manipulation as introducing more hierarchical layers in organizations that are fundamentally built upon democracy and collectivism, potentially hinder the organizational actors ability to naturally and spontaneously manage tensions (Skelcher & Smith, 2015; Tucker & Throne, 2013; Doherty et al., 2014; Hustinx, 2015; Irvine, 2011). Other sceptics of increased NGO business logic incorporation, describe NGO hybridization as the “application of a corporate model, which emphasises a ‘business mind-set’ focusing on control and performance” with the potential to “immediately clash with the philanthropic values of many NGOs which stress community, cooperation, and caring” (Tucker & Throne, 2013). Additional researchers even see hybridization as highly threatening to the NGO survival, as they believe the NGO incorporation of business logics to result in a dysfunctional “mixture of contradictory cultures, coordination mechanisms, rationales and logics of action” with “tremendous amount of contradictions” (Brandsen et al., 2005; Wijkström & af Malmberg, 2005).

The critics also often point to the ethical controversy of NGO hybridization, as it is argued that increased professionalization undermines these organization's legitimacy and conflicts with their social mission and contribution to civil society (Brandsen et. al., 2005; Doherty et al., 2014; Kraatz & Block, 2008; Skelcher & Smith, 2015). The overall critique of NGO professionalization is especially eminent amongst researchers with the mindset that a central aspect of any organisation and its culture is that it consists of "one group of individuals with the same values, meanings and fundamental assumptions" (Sveningsson & Alvesson, 2010) has the ability to provide employees with their identity and belonging.

The organizational frictions observed in the many NGO hybridization studies, raises the question of how managers of these organizations respond to and seek to resolve this uniformity of logics. Although few in number, some researchers have discussed that a managerial approach could be the strategies of compromising or assimilate (Skelcher & Smith, 2015) between logics. Another suggested managerial response to conform with the dual pressures is through decoupling of logics (Pache & Santos, 2013). While decoupling can be seen as a way to attempt to solve institutional logic-rooted clashes between groups of individuals by 'saying one thing but doing another', the strategy of compromise seeks to describe the approach of either "conforming through the minimum [external] standards of what is accepted" (Pache & Santos, 2013) or bargaining between different stakeholders. An illustration of these two is when the NGO, in its efforts to conform to external pressures, for example in the form of new governmental guidelines, either ignores (decouples) or re-modules (compromises) the demands, in order to be able to internally maintain the initial charity logic.

Due to their ability to hamper conflicts caused by diverging logics, the above two strategies are by some believed to "increase an organization's chance of survival" with the potential to serve as a "safeguarding mechanism to minimize legitimacy threats" (Pache & Santos, 2013). However, it is of vast importance to note that overhanging majority of the advocates of decoupling and compromise, as outlined above, share the fundamental assumption that these phenomena occur solely on an organizational-wide level, assuming that "all organizational members adhere to the same logic and are willing to protect it" (Pache & Santos, 2013). To clarify, the general standpoint amongst NGO researchers is that the remedy for handling the incorporation of a new logic, is through letting the recent (business) logic

play a greater role in the external communication and reporting, while internally, the elements of the initial (charity) logic are maintained. This conventional assumption is however not consistent with the modern discoveries observing that, as a matter of fact, senior NGO managers often have a preference for internal business logic methodologies, including professional performance measurement tools (Saj, 2013, Parker, 2008). (Appendix 1)

Although there has been quite a lot of research on nonprofit management, previous researchers have in general not shared our outset that the (hybrid) NGO is a highly multifaceted organization. The traditional standpoint and research setup has however been challenged lately by a growing stream of researchers, one of them being Pache & Santos (2013). The strategies of decoupling and compromising, they argue, are unlikely to be maintainable in practice, especially over long periods of time, not the least due to the ‘the risk of getting caught’ when externally scrutinized. In contrast, Pache and Santos empirically bring to light that decoupling has the potential to occur *intra-organizationally*. In their examination of four French social enterprises, which were all exposed simultaneously to business and charity logics, they found that the NGOs selectively combined demands from both logics, within the very same organization. To illustrate, one of the NGOs studied, allowed one of its local nonprofit offices to own all of the for-profit sites. In this way, the organization managed to generate economic resources through their factories under a systematic and professional management (commercial logic), which were then used to finance the organization's social mission activities (charity logic). This internal “adherence to both logics” (Pache & Santos, 2013), the authors referred to as ‘*selective coupling*’ or ‘*segregation*’ (Skelcher & Smith, 2015), to depict the controversial occurrence that, in fact, a combination of different logics (sometimes referred to as ‘*compartmentalization*’) might actually coexist *within* the very same organization.

In line with Pache & Santos’ controversial and intriguing findings is the research of Skelcher & Smith (2015). In their study, they elaborate on alternative ways that NGOs could seek to handle a within-organization coexistence of logics, one of them being ‘segmentation’; the allowing of different logics to dominate disparate organizational departments. Drawing on the terminology of Pache & Santos (2013), segmentation can be seen as an inter-organizational ‘selective coupling’ of logics to avoid destructive tensions, through strategically placing managers with desirable logics in “loosely coupled” (Brandsen 2005) departments within the organization (Meyer, 1992). In this way, the term segmentation seeks to encapsulate the

process of creating and upholding organizational gaps between actors of different internal units. However, in contrast to selective coupling, segmentation is an even more internal phenomenon, since segmentation suggests that differences in which of the logic that dominates, might even vary within the very same office or department. The authors also observed that inability to reach a sustainable co-existence of logics could give rise to “organizational dysfunction”, referred to as a “blocked hybrid” (Skelcher & Smith, 2015); a situation where the logics, due to their fundamental indifferences, can not unite, leading to an unavoidable rejection of one of the logics, as the authors put it, to a “stalemate and serious disquiet” (Skelcher & Smith, 2015) amongst organizational members (Appendix 1).

As previously stated, the research about maintaining a coexistence of diverging institutional logics is limited. Yet, the study by Chenhall et al. (2013), offers additional support to the highly limited understanding. The authors, in their field study of a non-governmental international development organization, observed that the occurrence of compromising and coupling of different logics indeed occurred *within* the NGO, in organizational member’s attempts to comply with the incorporation of more formal performance targets and increased efficiency focus. Interestingly enough, the study also showed that a compromise was a highly temporary settlement between actors of diverging logics and that a compromise of logics required on-going efforts and debate, “highlighting the fragility” (Chenhall et al., 2013) of this strategy for managing the (internal) co-existence of diverging logics. Furthermore, the study illustrated that a key in successful NGO PMS design and incorporation, was dependent upon the involvement of the whole organization in the development of the PMS indicators. As organizational members of different logics have dissimilar evaluatory preferences, the authors concluded that no single logic should dominate the PMS design and implementation and that, as a matter of fact, the actual process of decision making related to performance measurement and budgeting, alone has the power to provide “productive friction” (Chenhall et al., 2013) which possibly can assist the organization to develop ideas and perspectives in an innovative way. Stark (2011) through performing a similar study, noted that within-organizational compromise had the potential to facilitate and even enforce stakeholders of different institutional logics to try to find ways to compromise between these.

The conclusions of the above, recent research, indicates that the managerial strategies of dealing with NGO hybridity might vary not only within the same organization, but likewise be of a temporary occurrence. This unorthodox and controversial conclusion is further

supported by the recent research by Kraus, Carlson-Wall & Messner (2016) who found that within the football organization under study, two logics, business- and sports logic, not only co-existed, but which logic that dominated the organization, highly depended on the given context and therefore resulted in a discontinuous, highly circumstantial, process.

2.3. Summary: Accommodating formal PMS with the NGO Institutional Logics

To summarize, an emergent stream of research indicates that divergent logics has the ability co-exist within the same organization. In addition, plenty of well established studies have shown that many NGOs today see the need to introduce more private sector elements, in the form of increased financial- and efficiency focus. As these tendencies stand in great contrast to the traditional humanitarian orientation of the NGO staff force, we find it highly intriguing to further explore the implications of such a transition. To do so, we will use institutional theory as an analytical tool to study the consequences of increased NGO business logic influence, above all else manifested by a mutually shared PMS, as such an organizational-wide assessment tool plausibly involves the unification of fundamentally contrasting logics with their specific rationales, practices and perspectives.

Imaginably, the ongoing NGO hybridization should be specifically challenging for hybrid-NGO managers, as these actors are perchance primarily exposed to the “complex, social process” (Sveningsson & Alvesson) of being hierarchically cemented between the NGO senior management and lower-level staff and the two group’s respective logics. Therefore, to improve the overall understanding of the charity logic driven staff force’s resistance towards the incorporation of formal PMS, we seek to specifically study how managers within these organizations respond to and attempt to resolve these tensions.

3. Methodology

3.1. Research design, Data Collection and Analysis

The research was carried out as a single case study at the Swedish, humanitarian aid agency Alpha. Alpha is a fictive name. For this reason, the facts about Alpha presented in the following chapter are to some extent modified. The identity of the NGO studied is anonymous

as we believe that such an approach helps the reader to keep their focus on the empirical findings in a more clear-sighted and unprejudiced way. It is also in line with the Alpha board's wishes.

As Chenhall et al (2013) point out, studies of performance management in sovereign (non-state owned) nonprofits are underrepresented in the existing research of management control in not-for-profit organizations. Although Alpha receives funding from institutional donors, the organization is not state-owned and is thus free to act independently and in line with its mission. Two specific, contextual aspects of the research setting is Alpha's rare constitution and business model. Although the NGO only operates in Sweden, it indirectly has a strong global reach due to close networks and cooperations with its sister federations around the world. Also, Alpha's broad scope of projects and engagements, alter it into a unique composition of people, ideas and agendas. Due to the many eventualities, we found it sensible to perform a single case study, since, as Yin (2013) points out, the single case setup helps explain the complexities of real life and *context specific* situations, as the examination of the data is conducted within the context of its use.

Even if Alpha has a national reach, we limited our research to target members of the (paid) staff force, located at the headquarters (HQ) in Stockholm, although it should be noted that many of them had experience from working as volunteers, nationally and internationally, before their employment. Our empirical data is mainly the result of in-depth interviews (in English) carried out at the HQ during a period of three weeks (Appendix 2). One of the researchers, however, had been affiliated with Alpha in a different matter, in the six months preceding the interview process and had during that time, from having attended strategic meetings held by senior management and by interacting with numerous members of staff at different, hierarchical levels, the opportunity to develop an initial understanding of the organization. The three week span provided to us for the data gathering was not optimal but it was the time that our contact person at Alpha disposed to us. Ideally, we would have wanted to stay over a longer period of time, to have a chance to perform clarifying, follow-up interviews if we would have felt it necessary. This, however, was not possible during the circumstances, as key persons at Alpha were uncomfortable with our presence.

Both researchers were present at all interviews. More specifically, the meetings were in the form of individual, face-to-face, semi-structured interviews. Some questions were prepared

beforehand and asked to all respondents, but all queries were open-ended (Appendix 3). The outlined questions related to responsibilities, vertical dialogue and attitudes to the newly adopted organizational changes. We regarded these questions as crucial to get an answer to, in order to be able to draw reasonable conclusions related to our research question. The purposive topical steering (Flick, 2009) allowed by the semi-structured interview setup, also shed light on similarities and -as important- dissimilarities between the different respondent's attitudes.

With this being said, we also decided to incorporate a level of flexibility and adaptivity to the interview process. Sharing the view of Tucker et al. (2013) we argue that the semi-structured design of the interviews encouraged the respondents to discuss broader aspects of control, related to strategic practice from their respective roles and specific perspectives. Furthermore, as the respondents had different responsibilities, it was necessary to adjust some of the questions to better fit each interviewed person's work area. Moreover, when a respondent said something unforeseen or intriguing, we often replied with follow-up questions to shed light on their reasoning. Our exploratory research design facilitated this, as it allowed for the "identification of unforeseen tensions" (Brown, 2006).

Alpha's HQ consists of staff members from three different hierarchical levels. Each department, split by its functional area, is governed by a department manager. Within each department there are typically 8-9 units divided by functional and, in some cases, geographical areas, each governed by a unit manager (Appendix 4). Each unit consists of approximately ten staff members, who report to the manager of their specific unit. The average interview ran for approximately one hour. The interviewers took turns in asking questions and taking notes and all interviews were recorded and later transcribed.

We met with one department manager, six unit managers and eleven unit staff members. The reason for this distribution was that we wanted the constitution of interviewees to be fairly proportional to the composition of the hierarchical positions at HQ. Nevertheless, at an early stage we decided to include more unit managers than what we had initially planned, as we were informed that the (new) roles of these managers might have given rise to some interesting tensions:

“It is quite a big shift and the head of unit is still a bit uncomfortable in what their role is now. That might have been clearer before”

-Chief Controller #3, Department for Economy and Staff Support

The compilation and analysis of all collected data, the interview transcripts and internal documents, was conducted through the use of a digital spreadsheet to categorize relevant information, and visual illustrations such as graphs were further used as auxiliary to explore the underlying logic and linkage of the collected information.

Due to the fact that one of the researchers had previous experience from the Alpha HQ, we incorporated an abductive approach, inspired by Yang & Modell (2015), when analysing the field data. The adoption of different roles when analysing the data, where one researcher interpreted it with ‘previous knowledge-perspective’ while the other researcher primarily took a “theoretically informed outsider”-role (Yang & Modell 2015 s 6), created a well-reflected and multifaceted analytical process.

4. Findings

4.1. Background and Context

The Swedish Federation Alpha is a non-governmental organization offering humanitarian aid, both in response to acute humanitarian crisis and disasters and through resilience and risk reduction projects. Unlike the many NGOs that deal with a single mission accomplishment, such as children’s education or women’s rights, Alpha is involved in a wide variety of human crisis and disaster relief related activities. As Sweden has for many years been a country at peace, enjoying a stable, macroeconomic environment, the nearly two centuries old organization Alpha, has progressively extended its job field to also include development aid social work, with the proviso to increase its (fundamental) catastrophe relief works in times of crisis. 50 years ago, Alpha reached a peak with over 600000 members. Since then, the organization has met a modest albeit steady yearly decline. Today’s organization consists of barely 120000 paying members. The organization has local offices (‘branches’) all around the country and the work of these is chiefly executed by the organization’s 40000 volunteers.

Alpha is fully governed and owned by its Swedish members. However, it is also part of the global NGO-network of national sister societies, the International Union. Forming the unique network for the International Union, the sister federations often support the public authorities in their own countries by providing wide range of services in humanitarian field. Albeit all of the national federations are disconnected from governmental institutions, public sector funding commonly represent a big part of the overall collected resources, making governmental authorities into important donors and although the national-level societies are guided by common overall ideas and principles, they are highly autonomous in their domestic work and operations. In addition to direct crisis response and aid development, the national societies are, as Alpha, also active in promoting the awareness of international humanitarian law, organizing global operations throughout the International Union. Moreover, the societies, through conducting a series of campaigns and speaks on behalf of vulnerable people, actively strive towards becoming authoritative influencers in the public debate of humanitarian related issues.

The Federation, which comprises representatives from all the national societies, is the highest decision making body of International Union. These representatives meet every two years to define a general framework of purposes, goals, policies and programmes, to serve as strategic guidance for all national society members around the world. Directly and indirectly, through distribution by the Union, Alpha sends resources, money and personnel, to other sister societies to be used in humanitarian aid projects overseas. Some of Alpha's staff members are permanently based in the countries that Alpha supports more frequently, while other Swedish staff members are placed in Sweden but travel abroad several times a year to assist and monitor the execution of the projects.

In Sweden, every fourth year, during the General Meeting, the following period's strategic focus of Alpha is decided upon. The purpose of the four-year plan is to create consensus and serve as guidance by everyone in the Swedish organization, including the volunteers and the almost 350 employees.

With a considerable volunteer base and a committed staff-force, often carrying a high level of experience and 'local knowledge' from having themselves worked on the field, providing a wide range of activities related to humanitarian issues, Alpha has been enjoying a long tradition of equality and democracy with a strong mission to deliver 'social good' to their

downstream customers, the beneficiaries. In the 1960ies, when the organization peaked sizewise, Alpha was by far the biggest and most influential humanitarian organization in Sweden and played an essential, and much appreciated, role in supporting the Swedish public authorities as an independent actor in the humanitarian field. This, in consequence, created a relatively promising environment for Alpha to access a wide variety of resources, from both public and private sector actors, with few competitors in the field. It also helped the organization to build and maintain the legitimacy towards their donors, to acquire necessary resources, facilitating the preservation of the charity orientated culture.

4.2. Alpha's Initial Governance and Reporting Procedures

The organization's promising financial situation combined with its strong reputation, not only helped Alpha fulfill its social welfare-related objectives through increased access to economic resources, it also restored and strengthened the consensus among individuals throughout the organization of what Alpha represented and, accordingly, created a consensus on which sort of organizational undertakings were applicable. The overall goals of Alpha, as a result of such the strong, collective consciousness and consensus, have consequently always been characterized by a high level of abstractness and ambiguity (Alpha Mission Descriptions 2011).

More specifically, before the reorganizations in 2011, the formally communicated goals were referred to as "mission descriptions". Implied by the term, the purpose with those documents was to *describe* rather than *direct* which social problems each department should seek to tackle. No further guidance or instructions, such as concrete, evaluatory key performance indicators or explicit means (strategy, performance- and resource prerequisites) for reaching those goals were provided.³

Furthermore, as the mission descriptions were distributed on a department level, there was limited need for interaction across departments. Accordingly, except from the distributed descriptions, each department had the authority to decide on how to organize and implement their own activities. Furthermore, although each project was attributed a project manager who

³ A typical example of such an 'abstract goal' could be a mission description formulated in terms of: "Continuing development work in the cities and in the socio-economically fragile areas and people that are affected by humanitarian crisis, catastrophe and conflicts are supported".

was responsible for reporting to the board, there was not a formal system in place that defined what exactly should be reported back, thus the outline of the reports highly varied in relation to different projects.

Due to these broadness and abstractness, the organization's mission descriptions could arguable be seen as visions rather than concrete objectives. Despite several general task descriptions⁴ which briefly illustrated what each department should carry out in regards to the goals, formal performance metrics were seemingly not an organizational priority as, with some rare exceptions, no concrete criteria or pre-set targets were in place to evaluate the goal attainment. Without specific goals and concrete guidance, all people within the organization were expected to act largely independently, leaving significant room for the individual to influence their work. In this way, the governance within Alpha was characterized by a high level of freedom and little restriction from the top, in line with the deeply rooted democratic principles of the third sector (Pache & Santos, 2013; Chenhall et al., 2014; Unerman & O'Dwyer, 2008). Thus, it was quite left to the charity logic driven employees themselves, to find ways to contribute to the overall social welfare-mission of the organization and in that way, the social welfare mission achievement could, at least to some extent, be accomplished.

In the absence of task consensus and formal performance measurement systems, however, the link between Alpha's general goals and the activities of the people working in the organization, was not always clear. In that way, the vague and ambiguous goals and the lack of organizational-level PMS, albeit being in line with the democratic, coequal principles of the charity logic, providing organizational actors with freedom to influence their own work, failed to link individual- and activity performance to the overall missions and visions of the organization (Tucker & Thorne, 2013; Saj, 2013; Chenhall et al., 2010).

4.3. Alpha's Economic Misfortunes

The new types of NGO challenges that have emerged since Alpha's 'peak' in the 1960ies, is indeed acknowledged throughout the organization:

⁴ Such a task goal-related task description could be: "Increase the knowledge and involvement for humanitarian beliefs and global interactions, develop courses and contribute to the development of other learning activities".

“There are many types of actors that compete with the same amount of services and the same types of funding. And also, there are global economic changes. You are dealing with a lot of middle-income countries, you are dealing with a lot of educated populations who have very different expectations on how they would like to be served. For example, supporting Syrians in a camps setting, is very different from supporting South-Sudanese in a camp’s settings because Syrians are highly educated middle-class people that have become inflicted due to conflicts. South Sudanese have typically lower level of education, social status and economic power. So their level of expectations is very different. So this is challenging the sector quite a lot as well.”

-Subordinate #11, Department of International Operations

As one of the biggest volunteer-based humanitarian organizations in Sweden, having a strong network of volunteers has for centuries been central to Alpha’s survival. However, the increased number of actors on the NGO arena, on top of making it harder to collect funding, causes difficulties for Alpha to attract new volunteers. Some local offices even find it impossible to keep a sufficient number of volunteers to justify the ongoing existence of the branch.

“Also recruiting new volunteers. I think there is a lot of people who want to help, but they need to feel that they are part of a bigger mission, that they work together with others. It’s a challenge for Alpha, as we are so broad; for Save the Children they work with children, it’s not as hard to understand.”

-Subordinate #9, Department of National Operations

Furthermore, Alpha’s impressive size and geographic reach, through its almost one thousand independent branches, is by many organizational members believed to give rise to organizational inertia, further induced by Alpha’s broad organizational service offering, as it is believed to impede the ability to create a focused direction and shared consensus on priorities.

“The whole managing the organization at Alpha is a lot harder than in the public sector and even in other NGOs. It is more easy if you do one thing. But we do so many different things. If you look at ‘Save the Children’, at least they focus on children. It is quite easy. We have a general one; ‘save the world’. That is the challenge but it is also what needs to be discussed.”

-Unit Manager #1, Department for Association & Development

As a consequence, Alpha has in the past few years been criticized several times in the public debate, for having a much slower crisis response, than many of its younger and more digitalized, competitor NGOs.

On top of the above challenges, that one their own arguable had the ability to sufficiently decrease Alpha's capital base, Alpha in 2009 faced a big, internal embezzlement scandal. As a consequence, a period of external as well as internal scrutiny, critique and lowered public trust followed. As aforesaid factors are crucial for the rendering of monetary and human resources within the charity-arena, the scandal naturally had vast negative effects on Alpha's already pressured economic situation. The financial shortfall that followed from the revealing, gave rise to an acute need for increased economic focus, in order to drastically improve Alpha's severe financial situation. In this way, the influx of business logics became manifested through a sudden desire to increase control and performance, decrease costs and introduce tools for measuring and communicating this performance.

"We needed to decide where the money made the most difference and this is what we started discussing in Alpha. We needed to decide how much money to spend and make sure that we spent the money in the right places, where it would make the most difference, and make sure there is no corruption."

-Unit Manager #10, Department of National Operations

4.4. Responding to the Setbacks: The Initiated Change Work

In the years following the scandal, several changes to the staff-force were carried out. The first step was to remove the employees placed in the local offices, one for each office, and while one third of these individuals were discharged, some were moved to the Alpha HQ, which in turn grew, both in terms of number of people and in amount of new responsibilities. Thus, Alpha's HQ was given increased mandate in overall strategic decisions and in addition, more of the administrative tasks were allocated here. From previously having staff representatives spread out all over the country, physically closer to the volunteers to which they provided guidance, the support function too got centralized and the staff force at the HQ office thus got more nationwide responsibilities.

By decreasing the spread of employees, the ambition was to lower the administrative expenditures. An additional motive was to provide more professional guidance to the branches by “changing and streamline the staff support to the local offices” (Annual report 2011). In order to make the enlarged headquarters cope with the challenge of having to, with an overall decreased staff base, provide more skillful and nationwide guidance, the board identified the need for a more efficient and professional management.

Through the perspectives of institutional theory, these many changes to the staff force, in the form of increased demands for professionalization and more cost-efficient relocations and cut-downs, can be described in terms of a new, business logic-presence within the organization. Of course, this raises an interest for how the, assumingly charity logic oriented, employees regarded the comprehensive reorganizations.

“Before, there was a strong ‘one Alpha-experience’ because we worked together. I was more identified with the branches than with the board. It was amazing. I didn’t believe in it [the reorganisation] honestly. When we had to do the big reorganization, cutting down on almost half the staff, my new department only consisted of 3 people. It isn’t enough for the local offices to just call us.”

“There are big challenges out there. It took much more time to act and to do it with less resources.”

- Subordinate #11, Department of International Operations

In line with the institutional logics perspective, the interviewed (charity logic) subordinates made it clear that the cut-downs had given rise to considerable concerns about the potentially negative effects on the service quality, towards beneficiaries and volunteers, amongst the staff force. In contrast, and consistent with the charity logic, the economic rationales behind the cut-downs were never considered or described in good light by any of interviewed employees.

On the other hand, the potential discomfort of local volunteers from these cut-downs, was never brought to attention or described as problematic by the consulted managers:

“There is an element in the NGO culture that the volunteers are your customers and that they are the ones that should decide what they want to work with, and that you always should tip

on your toes so you don't make your volunteers upset. But I think it is more a cultural aspect actually."

-Unit Manager #10, Department of National Operations

Thus, the business logic-oriented changes that the managers regarded as prerequisites for Alpha's ongoing existence, staff lower down in the organization saw as hazardous, as these individuals first and foremost had in mind the consequences and potential inconveniences of the volunteers and beneficiaries. In this way, the diverging views of the reorganizations between managers and subordinates, provides a clear illustration of the coexistence of different logics within Alpha.

Alpha's severely critical economic state as an aftermath of the scandal, led to additional restructurings to the structure and importance of its HQ. Before 2010, Alpha's HQ was designed as a matrix structure with department and regional levels, where the service contents were decided upon in the former, while the implementation was performed within the latter. This type of organization, however, was hard to unify with Alpha's broad service offering and dynamic context:

"The separation was challenging, even if you would be having clear-cut products and services. For us it was even more difficult because our services are not clear-cut and adaptable to certain situations. The challenge is that our activities are very broad and different from each other. We have a lot of small activities so it is hard to find a measurement to cover all of them. If we would have been a for-profit company, we would only have been offering four or five services, but that is not the case."

-Chief Controller #3, Department for Economy and Staff Support

Furthermore, the matrix structure's disconnection between the decision making- and implementation departments, was by the chief controller said to inhibit the upward information flows, aggravating a hierarchical difficulty for senior leaders to observe and evaluate the activities of the lower levels. The many drawbacks of the matrix-structure, led to the start of a comprehensive transition towards a divisional-based organization, initiated in late 2010.

4.5. Shifts in What to Measure

Due to the many challenges of impact measurement, alternative performance assessment approaches are recently, as pointed out, winning grounds in the NGO arena, not at least due to increased support amongst institutional donors and influential associations. Indeed, reflections of such realizations were eminent within Alpha as well. The chief controller described the view of the drawbacks of impact measurement as an emergent, “general understanding” amongst actors within the NGO sphere, beginning around the time of Alpha’s initiated change work.

“I would say that impact measurement was a focus and that affected our board. But then, a couple of years ago, there was a public discussion on ‘can you really measure impact?’ Was it possible to do at all? And maybe it did more harm than good in terms of control and planning. That also affected us and it removed some of the pressure to find those impossible impact measurements which I think is good.”

More specifically, the limitations of the burdensome data collection and analysis necessary to be able to perform impact measurement, as well as the considerable costs associated with it, in combination with the highly long-term and contingency dependent nature of a vast part of Alpha’s projects, was by the controller described as having contributed to an understanding, within the Alpha board and also in the Federation, about the inherent difficulties of using this type of evaluation to assess the social value created. This realization, according to the controller, resulted in an internal desire to develop procedures that “describe what we deliver and explain how it will lead to the impact that we aim for”. However, it is evident that although such a strive might to some extent exist amongst Alpha’s senior management, the organization is said to have yet to find practically executable approaches to evaluate their non-monetizing performance:

“The NGO-sector deals with soft values to a large extent but soft values are hard to integrate, aggregate and measure. Maybe it doesn’t have to be that way but that’s where we have ended up.”

-Chief Controller #3, Department for Economy and Staff Support

“[Qualitative indicators] are good in theory but we have problems gathering the information. For example, an indicator on how well the volunteers perceive the support they receive from the organization, we don’t have a way of gathering that information. We can use focus groups for example but that would be something that we would need to develop.”

-Unit manager #1, Department of Association & Development

4.6. Introducing the Scorecard

In addition to the reorganization towards a divisional structure (Appendix 4), the idea of introducing goals that would be shared across departments was born, but it was not until 2012 that the concept of ‘across organizational’ goals, was introduced. At that point in time, however, different departments still to a high extent had specific and separate goals, which, according to senior management, made it hard to discuss and develop targets that fit the whole organization. Consequently, the idea with cross-department goals was further developed over the coming years and in 2015, it had resulted in the current formal performance measurement tool, the ‘Scorecard’.

The general secretary at that time, in an official letter directed to all members of staff and volunteers, described the introduction of the Scorecard and the additional, thorough organizational transitions accordingly:

“The purpose with these changes is to create opportunities for a mutual way of looking at things, for a mutual way of working and mutual definitions on what the goals mean. Alpha has a strong focus towards evaluating each unit within all projects. This is a prerequisite for continuous development. Therefore, we need to follow up and evaluate, as this is a prerequisite for development, transparency and cost efficiency. Evaluation and reporting on results is often a request in order to get external funding. Evaluation and follow up on the organizational goals are performed. We also need to measure and understand the effects of our work, including the value for money, in order to evaluate and further develop the organization.”

The Alpha Scorecard consists of 8, organizational-wide, and priority ranked goals (Appendix 5). A purpose with the Scorecard is to help management develop an agenda that is closely

connected to the organization's four-year strategic focus. Inspired, reportedly⁵, by the RBM emphasis on individual contributions, this is said to be accomplished by fragmenting the Scorecard's goals into several, measurable targets, referred to within the organization as 'indicators'.

"You break down the original goal into sections. Those sections can in turn be broken down to become measurable indicators. Each goal has a number of operational areas. Some of them are related to the financial goal of increasing the income with 50%. 'How are we going to reach that?'"

"We need to work with private funding and companies. The private funding can be broken down to monthly donations, inheritances, gift card customers et cetera. So you have to look at the goal we want to achieve and then think 'how can we break that down?'. And that is done in operational areas."

-Unit manager #1, Department of Association & Development

The Scorecard indicators are supposed to serve as helpful, simple metrics that all members of staff can understand and relate to. The quest for indicators with a high level of simplicity and clarity has, despite the internally identified shortcomings of such an approach, resulted in mainly quantitative indicators. As brought to attention by the controller and managers, some goals in the scorecard are not currently evaluated, due to the "practical difficulties"⁶ of finding quantifiable indicators for those. Moreover, the predominantly quantitative nature of the indicators can be seen as a sign of the increased business logic prevalence, as their 'measurability' makes the process of comparing outcomes to the invested resources both straightforward and monetizable.

As previously discussed, the transparency and simplicity of quantitative indicators, can be seen as an NGO strategy to try to become more competitive and strengthen its transparency (Tucker & Thorne, 2013; O'Dwyer et al, 2006). Some NGO scholars, not the least the holistic PMS advocates, however claim that NGOs that use their PMS primary as a tool for providing (external) justification, are more exposed to the risk of organizational mission drifts and that focusing too much on increasing upwards communication, might happen at the expense of the

⁵ Chief Controller and Unit Manager, Department of Economy and Staff Support

⁶ Unit Manager, Department for Economy and Staff Support

quality of the service offering (Doherty et al.2014; Skelcher & Smith,2015). This latter academic contention, we believe, might explain why senior management's efforts to improve Alpha's economic situation, was not commonly acknowledged by the subordinates interviewed, as many of them raised concerns centered around that increased focus on formal reporting and measuring, would threaten Alpha's fundamental, social welfare-mission fulfillment. More specifically, subordinate's critique often revolved around the Scorecard's high dominance of measurable indicators, as they regarded their quantitative focus to potentially impair the quality of the service offering.

"It only becomes policy when it becomes monetized. So there is a very strong donor element there. It [qualitative evaluations, including beneficiary satisfaction] isn't fundamental, but if you look at it either from the point of view of our values or principles or from general humanitarian values, that should actually be the fundamental basis for our work. So, it's a tricky kind of balance to try to strike. That is a sort of trade-off."

-Subordinate #13, Department of International Operations

"Translating it to a corporate perspective, it would almost be like assuming that your customers don't have the power to influence the perception of the company or something like that. By doing this, you are opening yourself to a customer backlash very easily."

-Subordinate #13, Department of International Operations

"Sometimes it feels like it [qualitative measurements] goes against some of the current indicators, like 'reach' for example. Rather than saying 'we reached a thousand people' you could say 'we reached three thousand people but those were the most vulnerable'. But that doesn't always sound really good in a report or a website so yeah, it's really tricky."

-Subordinate #11, Department of International Operations

4.7. The Alpha Chain of Governance

Introducing the Scorecard shows the rising ambition of top management to increase the awareness within the organization of which operational activities should given more emphasis as well as to more clearly communicate on how to reach them (*"I think we need to be better at*

agreeing, at top level, on which activities are the most important")⁷. Inspired by the RBM, a fundamental aspect of the Scorecard is that the goals are ideally constructed in a way that makes contributions from all organizational units necessary, in order to be reached.

Senior management develops the Scorecard goals on the basis of the four-year strategy, established by the General Secretary. Next, the development of indicators based on these 8 goals is performed. The indicators, in turn, can be broken down to four or five operations. An operational area is attributed to two or more units within the same department. The development and distribution of indicators to appropriate operational areas is ultimately done by the board, but is in theory expected to be the result of continuous dialogue and input from lower-level managers. However, when asked how the actual process of breaking down the overall goals actually has been carried out, an unit manager from Association and Development Department provided this answer:

"Now the indicators are sort of given, 'ok this is what we are going to achieve next year.' I think it depends on which department you are talking about and the top-down is natural when there is a lot of turbulence. But I think it's important to have that discussion and I hope we have that next year."

The operational areas are monitored continuously by an operational area manager, typically on a subordinate level. Although operational area managers are involved in the allocation of operations between units, it is first and foremost the managers of these units, individuals who generally have worked within the private sector before joining Alpha, who monitor the fulfillment of operations, after having broken them down to task level and distributed them to within-unit subordinates (Appendix 4).

The operational achievements are evaluated regularly throughout the year, by assessing each operation's outcome to the related indicators. More specifically, the decided upon operational areas, as well as the budget for these, is each year registered in Software, the organization's ERP-system, which was established in connection to the Scorecard-introduction. The purpose of Software is, as with the Scorecard, to formally monitor and evaluate the organizational

⁷ Chief Controller, Department of Economy and Staff Support

performance. Through clearly distributed responsibilities, each unit is now expected to contribute to the overall organizational goal-achievements.

When introducing the system in late 2015, the information submitted to the staff force was the following:

“To begin working with Software is one out of several efforts we make to become One Alpha, become more efficient, energetic and learning, so that we collectively and more efficiently can mitigate and inhibit human suffering. We must become better on following up on results and the effects of what we do in order to be able to prioritize in a smart way and to make our formal planning and evaluation processes more efficient. Software will provide better support to the ongoing strategic- and planning mechanisms and create stronger connections between the formal processes. By using Software, we get an overall view of what we work with and what information and which documents that are connected to our work. We can plan, follow up and learn from what we do and in that way prioritize what we should do more of and maybe what we should do less of.”

The allocation of responsibilities to subordinates is carried out by unit managers throughout the year during formal meetings entitled ‘goal talks’. Even if the managers had regular dialogues with the employees before 2015 as well, a noticeable difference with the new practices is the new focus on evaluating each individual subordinate’s performance and contribution towards the achievement of the unit’s tasks. In an internal document directed towards all members of staff in late 2015, the purposes of the new goal talks were rolled out:

“It is value-adding to continuously define and design work tasks, expectations and responsibilities on the basis of current needs. As part of the work to develop our way of working, goal talks are now introduced. In contrast to the old ‘development talks’, the new meetings are going to be more regular and frequent. The emphasis is going to be to communicate the manager’s expectations, based on role and responsibilities, of the team member. We also need to be clearer on which level of performance is expected and communicate that to the team members continuously. In the goal talk, the team member will also be given a follow up on the work performance. Focus should be put on the positive parts.”

Through continuously updating the status in Software on their specific responsibilities, all subordinates are also now to some extent said to be directly responsible for the reporting and feedback up to top level.

“We focus less on the organisational structure now, where separate departments and units report separately, we don’t work as much that way now. So that’s a pretty big shift, as different people in the same unit are the ones that need to report back in our systems, so now it is about the right person in a certain unit having to report back, and not necessarily the head of unit. This is quite a big shift and the head of unit is still a bit uncomfortable in what their role is now. That might have been clearer before and I think the quality is better because the person who is really knowing the most about a certain operation, is the one who should report back in the system.”

-Chief Controller #3, Department of Economy and Staff Support

In this way, the new reporting procedures have the ambition to link not only unit-, but individual performance, to the overall goal achievements of the organization.

“So we share the operational area but we still have different responsibilities. I am responsible for some projects and then I talk with my employees on what part of the project they should be undertaking. In theory, this means that everybody should know the project they do are supporting the overall goal. The big picture should be clear.”

-Unit Manager #16, Department of International Operations

“We have been working with goals for individuals, agreed goals between managers and individuals and do the follow up, it has been a quite formal process.”

-Unit Manager #10, Department of Domestic Operations

4.8. The Scorecard as a Tool to Increase Clarity, Uniformity and Communication

The former chairman of the board summarized in an internal document to the staff force, the introduction of the Scorecard as follows:

“The executives and staff now relate what we do to what it costs to perform it and how it is financed in a way that increases the transparency of the organization. The information is

radically better, the analysis too and now indicators are also introduced to give a better strategic opportunity of Alpha to decide upon which actions that give the best results from the resources we have.”

-Previous chairman of Alpha board

In such a way, in addition to serve as a tool for professionalizing the evaluation of operations, elevating the financial awareness across the organization, and creating individual-level responsibilities, another purpose for introducing the Scorecard was that it would increase the visibility. More specifically, by clearly stating the, by the board defined, 8 priorities, the visualness and “increased transparency of the organization” is expected to improve. The board’s priorities are further articulated through the introduction of the frequent ‘goal talks’ between manager and subordinate, and through the formal reporting in Software.

“We have a big involvement from people now. The financials and top priorities are communicated from top management and so are some rough priorities in the start of the process, but then everyone should start planning which activities they should do over the year and then, hopefully, these can be combined by top management’s strategy.”

-Chief Controller #3, Department of Economy and Staff Support

Indeed, the potential advantages with the increased clarity through more frequent and formal performance evaluations on an individual level, was repeatedly appraised by the unit managers interviewed:

“It is a big change. It will mean more communication but hopefully also more consensus about the responsibilities of each function (operation), to try to separate out different things. It will become clearer and easier for people to collaborate when they know their function.”

-Unit manager #1, Department of Association & Development

“Everyone within my unit have their own field and within their field they are quite comfortable. I now expect my co-workers to be able to define ‘I can contribute by doing this, for the goals to happen’”

-Unit manager #16, Department of International Operations

Interestingly enough, however, we hardly identified any examples of subordinates who were in favor of the new routines and regarded them as handy tools for carrying out and prioritizing within their daily work. The following citation is a rare exception to this observation:

“We do the goal talks twice a year. And we also have monthly follow ups and I like that very much, because at those meetings I could tell her what I had done and my challenges and if I required support. We discussed that and of course when I presented for her what I had done, the goal talk-plan really guided me quite well to see what my priorities are. When we met, she helped me through listening to me and structure my thinking. So the Scorecard have helped me in my prioritization. But of course I can decide a lot myself what to do because no one else deeply knows my area. I can affect my work very much and that is why I like it. You know the Scorecard, I suggested myself what my goals should be, and she accepted them without any deeper discussion. Why do I need my unit head honestly?”

-Subordinate #12, Department of International Operations

As a matter of fact, early two distinct themes concretized out of the interviews with subordinates: although staff members had heard about the Scorecard and understood the concept of it, they either (1) had themselves no experience from this new way of working or (2) were familiar with this new way of working but disapproved of it.

4.8.1. (1) Staff Scorecard Exclusion as a Causer of Frustration

The first distinct theme was that many of the consulted employees, albeit having heard of the outline and purpose of Scorecard and its 8 organizational priorities, the concept of breaking down these goals to unit-, and individual levels did not seem to have become integrated within their departments. When asked then, about how their personal work agendas were developed and distributed, following replies were given:

“Maybe the managers are supposed to decide the individual targets, but I don’t know, my manager hasn’t talked to me in that way. That was a good question...how we distribute...”

-Subordinate #9, Department of Domestic Operation

"You have personal indicators in the best case, but we don't have that and I don't think we have ever had that, even if it is a policy now. I think the international level is the worst when it comes to individual targets."

-Subordinate #18, Department of International Operations

"Honestly, I don't know how my unit knows what to do what they are responsible for."

-Subordinate #17, Department of International Operations

Thus, despite subordinates' perceived disconnection from the overall Scorecard-goal achievements, these interviewees nevertheless were well aware of the existence of the tool in question; they simply did not feel engaged in it. The widespread lack of knowledge about how, and even if, these respondent's specific work performance related to the organizational goal achievement, was quite unexpected, as the introduction of the Scorecard and the additional formal reporting procedures connected to it, was by senior management said serve the purpose of increasing the consensus on how individual work tasks supported the overall goal. The fact that many of the interviewed subordinates felt excluded from the Scorecard goal reaching, was perceived as frustrating:

"I think there is a lot of people who want to help, but they need to feel that they are part of a bigger mission, that they work together with others. It's a challenge for Alpha."

-Subordinate #17, Department of International Operations

"I can do what I want to do and hopefully that goes in line with what the rest of the organisation is doing. But it is not effective. We could do much, much better and do more over time, if us employees felt that we had frames and not so much freedom. My colleagues and I need to work in the same direction and we also need to know 'what is the goal? We could do much much better and do more over time, if us employees felt that we had frames and not so much freedom."

"I don't think that it's good (to have too much freedom). We could do much much better and do more over time, if us employees felt that we had frames and not so much freedom."

"And this is sad because as an NGO, we don't want to spend more money than necessary, it is more important here than in any other company, that we use money in a good way. But I still like what I do and that is why I'm not changing employer"

-Subordinate #5, Second Hand unit

“So things are very ad-hoc and not very structured. So we set the targets within our teams without inputs from higher up, which makes it...almost feel a bit meaningless I would say, because it is not part of a bigger process or a bigger strategy or a bigger vision, what we are doing, I would say. For me it would be very useful to be able to have such talks because it makes things more serious, to talk and see where you are going. There is not a lot of dialogue between us and the top. We just kinda do a job and hope for more structure. This also makes it impossible to evaluate me because I am not sure on what I’m supposed to do.

-Subordinate #17, Department of International Operations

4.8.2. (2) Staff Scorecard Disapproval as a Cause of Frustration

The second distinct theme that appeared throughout the dialogue with the subordinates that were in fact familiar with the goal talks and had their own, individual responsibilities, was the unmistakable unhappiness with this new way of working:

“I am supposed to report on certain things to the board, but my manager decides on those targets without discussing it with me. And it is not possible to reach some of those goals so now I am trying to change it because it is stupid to have a goal you can't reach. Of course it is very frustrating if your boss doesn't communicate with you and he just reports upwards. Some bosses are more used to reporting upwards than downwards.”

“My boss sets my goals without even talking to me. How can I respect him? So he does the Scorecard thing half-way only. I mean he has to communicated ‘do you understand your part of this?’ and ‘it is possible?’. But he didn’t do it. He was very quick because he is just not interested. With all the NGO competition these things need to happen. As a co-worker, I don’t like it at all and we have tried to tell him but he doesn’t really listen so there is nothing else we can do.”

-Subordinate #5, Second Hand unit

“Sometimes we do not agree with what our unit manager or department manager further up in the organisation decides on. We can ask why but then we don’t get any feedback so we just had to accept it. It becomes kinda like ‘us against them.’ Because none of them have the

detailed knowledge in of our day-to day things and the geography of West Africa is very complicated. So we don't feel like we are getting very much support from them and sometimes they take decisions that make us feel like kinda 'okay, why?'. So within the team it is very flat but then there are decisions coming from the top that we don't always agree with but where we don't have anything to say. We don't have a mandate to say anything. That decision was taken without input from our team. And we are the ones that know what's going on."

-Subordinate #17, Department of International Operations

"I think the board should be more concrete, you can't just send out new decisions, you need to work with them. Otherwise, some people will think that this is not related to their work tasks or local office."

-Subordinate #9, Department of National Operations

Overall, our observations display that the critic brought up by the staff members who actually had been introduced this new way of working, about the Scorecard and all that it involved, originated from the perception that the goals were forced upon them and sometimes also perceived as non-reachable. As it seems, the tensions was also the result of that many regarded their new individual goals and scorecard-derived indicators, not be in line with their personal beliefs and opinions on what activities should be carried out. When asked to provide us with examples of disagreements of that kind, the charity logic orientation of the staff force became eminent, as the primary critique from the subordinates in regards to their individual goals and focus areas related to concerns about what implications the new goals and indicators had for their (social mission) service quality, and the satisfaction of the volunteers:

"I want to make it into a standard quality indicator, whether you have discussed a certain activity with the community or not (beneficiary engagement), as the process of consultation would be assumed to increase the service quality level. But that is a sort of internal battle, because then you would have to establish the resources, budgets and personnel, to help the communities perform that and because these issues are not linked to funding it is not seen as an existential issue for these sorts of organisations."

-Subordinate #13, Department of International Operations

“One of my goals was to increase the accommodation center activities. I thought ‘that that can’t be my goal, because I can’t force the branches to do it, it’s their decision.’ Nevertheless, that was one of the goals”

-Subordinate #9, Department of Domestic Operations

Hence, subordinate’s critique was mainly centered around the perceived lack of charity logic elements in the construction of the new PMS, above illustrated in the urge for more volunteer consideration and beneficiary engagement. In this way, the Scorecard and all that it entailed, including the quantitative intensive indicators, manifested the shift towards more business logic rationales, further illustrated below:

“There has been a lot of focus on reporting and indicators and log frames, and yes, we are better at reporting these than we were before. I think that we have become more professional, because we are better at living up to the requirements of our donors.”

-Unit Manager #16, Department of International Operations

“We need to be more businesslike. But with this new structure, we are starting that process. You can see more clearly today what each unit’s mission is and what they should accomplish. There is more people now with a business background. Just during the last year we made massive changes and I think we are now more professional in our way of thinking than 2 years ago when I started.”

“I think we are now more professional in our way of thinking than 2 years ago when I started. I think there is a bigger understanding today, that if you should be an NGO, you have to change the way you work if you are going to survive in this market, because the competition is very hard.”

-Unit manager #6, Second Hand unit

Throughout the interview process, it was observed that concerns regarding the new PMS, seemed to be particularly eminent within the Second Hand unit :

“When it comes to targets and strategies, my boss changes too much so we never have time to finish everything but when we tell him what we need he doesn’t really listen”.

“So yeah, I find my own way in if I did a good job or not. He just wants to go forward but I think it is really important to also look back and look at “what did we do good?” and feel good about it. Of course we should also be improving but still, it is important to feel you did a good job. That is part of going to work. I mean if you never feel you did a good job, where is your drive? Where is your will?”

“It is sad. I was expecting something else when I started working here. It is so strange.”

“Many of my newer colleagues are so stressed out. Yeah, it's the law of the jungle. But I need to accept that because I can never change him. Then I would have to change work but I love what I do.”

-Subordinate #5, Second Hand unit

The paradoxical findings and obvious dissatisfaction of the second hand unit subordinate from being simultaneously exposed to (too much) freedom and coercive task distribution⁸, call for further analysis.

4.9. The Intriguing Tensions of the Second Hand-Unit: A Result of Polarized Logics

Alphas second hand unit is responsible for the establishment of new second hand stores with all that entails, such as teaching the local office volunteers how to operate the stores and how to handle the bookkeeping in a skillful and legal way. The unit also works with relationship building with other organizations (private and public) to collect donated items from these actors to resell in the stores. Approximately two thirds of the total revenue collected through this unit's activities, comes from second hand store earnings. This unit, which is also the part of the organization that carries out all revenue-generating operations, aside from the monthly- and institutional donor activities, has in the most recent four-year plan been allotted ambitious growth targets and indicators. Through such actions, Alpha board hopes to “secure an increased inflow of resources from the second-hand concept” on a second hand market “highly exposed to competition, not the least from an increasing number of commercial actors” (Alpha Humanitarian Strategy 2016-2019).

⁸ Captured in the following sentence: “My boss gives me freedom but sometimes he can be very rational also.”

In order for Alpha to maintain its position on the NGO retailing market, the second hand-unit has in the current four-year plan been given the direct and explicit task to “make the operation of the stores more ‘commercial’”, by “increasing the sameness and uniforming the communication” towards second hand-donors and customers (Alpha Humanitarian Strategy 2016-2019). The unit is also expected to further strengthen relations with private- and public sector donors. To implement these ambitious goals, the unit was recently assigned a new manager.

“One of Alpha’s tasks is to make the stores more profitable. Currently we are opening almost one new store per week, so there is a big speed in it.”

“When I came here, everyone told me ‘you can’t talk about money’ and I asked ‘why’? I am here to make money for Alpha, that’s why they hired me so I have to talk about money”. So I made an early decision when coming here to always talk about money. Everything we do we do to make money. And it was hard at first because people here thought I was strange to do so, they believed ‘we work with higher values than money’ and I said to them ‘you work with your higher values and I pay for it.’ People need to understand that with more money, we can do more good. But this understanding still lacks.”

-Unit Manager #6, Second Hand unit

Reasonably, the manager’s vast private sector retail experience together with the explicit directions provided by Alpha’s board to make the second hand-business more profitable, has played an important role the evident, business logic orientation.

A third aspect that might serve as an additional explanation for the significant business logic influence of this part of the organization, is the unit’s obvious exposure to financial targets. The Scorecard indicators’ clearly articulated revenue growth targets for the second hand- and fundraising activities share, in contrast to indicators directed towards other organizational achievements, a high dominance of economic focus. The significant presence of financial indicators, together with what Alpha board itself describes as ‘ambitious’ targets for number of new stores, distinctly communicated through the Scorecard, might thus help to preserve, or even add to, the strong business orientation-presence of this unit.

Indeed, when asked if the Scorecard and the indicators facilitate his decision and distribution of unit goals, the manager provided this answer:

“Absolutely, especially the scorecard because I am used to working with scorecards. I am the lucky one, we have specific goals in my unit. It makes this easier than in other units. What I try to do is that I sit like a puzzle, and the goal is the whole puzzle where everyone in the unit gets a specific piece so that everyone in the unit see how they contribute to the total goal.”

“We have knowledgeable people within our unit. But I am the one that takes them up to the board and the scorecard. But of course if my unit says 25 I say 30, just to get them on their toes, yeah.”

“So I think we have control of the business. We get the early signals if we are slacking. Instead of adjusting the goal, we can adjust the way we work to reach the goal, at an early stage.”

Considering the common academic descriptions of NGO staff force as highly charity logic-driven, manifested through an extraordinary wish to ‘do good’, a deep interest in humanitarian issues and strong egalitarian beliefs, the manager was further asked if he regarded it necessary to do any adjustments to his (private sector-) leadership, when joining Alpha:

“You will never get the most career hungry people [in NGOs]. But on the other hand you will get the people that are really engaged with what they are working with and that compensates it, I think. Two people in my unit quit their jobs soon after I became manager. They probably did it because they could not get used to this way of working and the higher focus on making money. They were more traditional Alpha-people. I am here to increase our income, not to please everyone in my unit. It can sound hard but sometimes you need to make decisions. There has been quite a lot of critique in how we work at my unit. But I have always had support from the board, and I need to have it.”

“The thing that I was most fascinated about when I first started here is that there needs to be conclusion on everything, everyone must be on board and agree on everything. Even if you don’t have anything to do with the subject, you expect to have a saying. So you end up spending a lot of time convincing that person that this is the right thing to do even if that

person didn't have anything to do with that subject. And this is very time consuming. We are a talking organisation. We should be a more doing-organisation. You can see more clearly today what each unit's mission is and what they should accomplish. Earlier, it was a little bit floating"

-Unit Manager #6, Second Hand unit

The manager's standpoint clearly shows the dominance of business logic elements in his leadership, as he saw no need to adjust or modify his management towards the, evidently, less financially focused employees. This, we believe, has further caused the strong polarization of logics and staff dissatisfaction within this unit.

4.10. Concluding Remarks

In summary, our findings illustrate a comprehensive transition towards a more business logic influenced organization, above all embodied in the new PMS, as a result of a strong and emergent need within Alpha to drastically strengthen their position within the NGO arena. Although favored by managers, the process has caused an interesting stream of scepticism and tensions amongst the charity logic oriented NGO subordinates. In the following we provide a discussion, and suggested explanation, for these occurrences.

5. Discussion

5.1. General Discussion of Findings

Altogether, our research tells the story of how senior management in Alpha, after an extensive period of setbacks, identified the need to adopt a more business logic-oriented way of working, in order to financially withstand. One of the undertakings to increase the business logic influence, as we see it, was the introduction of a formal performance measurement system; the Scorecard, as the purpose with the tool was amongst other things to increase efficiency, economic performance and employee understanding- and responsibility- of the organizational priorities.

Previous literature has time and again appraised the strategy of linking NGO staff force's charity logic values to the PMS, in order to successfully make employees "shoulder the burden" (Kraus, Kennergren & von Unge, 2016) of these systems (Chenhall et al., 2010; Tucker & Thorne, 2013). In Alpha, the transition towards a more business logic oriented organization, was indeed communicated internally in a way that seemed to try to legitimize these changes through the perspective of the charity logic, as the expected outcomes of the reorganizations, including the "increased efficiency and clearer governance and prioritizing on what needs to be done" (Alpha Annual Report 2011) were communicated internally in terms of "ultimately make a bigger difference for vulnerable people" (Alpha Internal Intranet post 2011). Clearly, Alpha subordinates did however not become convinced by these types of messages and the ongoing hybridization was met with significant skepticism amongst these individuals. While we saw numerous examples of employee's strong desire to contribute to a more humane society, proclaimed by a drive to provide a high quality service offering for the beneficiaries, a strong sense of (democratic) co-equality, and a compassion for the well-being of the volunteers, in contrast, examples of where individuals accepted, or even considered, the potential economic necessities of the increased business logic-influence, were conspicuously absent. Supported by earlier NGO studies, we argue that the Alpha staff's inclinations and areas of interest, clearly reflects their charity-logic belonging, as such an orientation is argued to be headmost distinguished by a wish to provide social welfare and enforce societal change (Moore, 2000; Skelcher & Smith, 2015). Thus, the staff skepticism observed in Alpha, further strengthens the findings of the NGO scholars who have reported on a "strong resistance amongst [NGO] staff" and "continuous struggle of power and control" between the promoters (senior management) and antagonists (subordinates) of increased financial focus through the introduction of PMS (Kraus, Kennergren & von Unge, 2016; Chenhall et al., 2013; Doherty et al., 2014).

As previous research has enucleated, lower-level manager's role in hybridized NGOs is of specific interest, as these individuals are believed to face a "complex, social process" in the attempts to combine diverging sectorial logics (Sveningsson & Alvesson 2010; Friedland & Alford 1991). In Alpha, we identified clear dominance of business logic in the unit manager's leadership, revealed by their appraisal of the economic legitimization and efficiency, induced by the new PMS. The underlying reasons for Alpha manager's bias towards business logic rationalities is yet to be fully understood, as further indications of whether it was an unanimous choice by these individuals, or if it was forcefully evoked by more senior

management, is needed in order to draw such conclusions. Put differently; it is yet to be concluded whether these managers actually sympathized with and felt a ‘belonging’ to the business logic rationality, or if these organizational routines simply had left them with no choice other than to comply. Our own reflection, based on the managers’, seemingly genuine, content and satisfaction with this way of working, talk in favor of the former. In addition, the private sector backgrounds of most of these individuals, provide additional support for this conclusion, as it is reasonable to speculate that their for-profit sector experience might have contributed to their business logic influenced leadership.

Although we saw no indications of internal compromising of logics (Chenhall et al., 2013), we identified, as further discussed in the following sections, plenty of support of the findings of other predecessors, in the form of blocking and decoupling, to deal with the diverging logics. However, while the entrenched research of decoupling and blocking has primarily regarded these phenomena to occur on an organizational level, fundamentally assuming that blocking or decoupling ultimately leads to that “all organization members adhere to the same logic” (Pache & Santos, 2013), our findings, in comparison, are more in line with younger studies (Chenhall et al, 2013; Skelcher & Smith, 2015; Kraus, Carlson-Wall & Messner, 2016, 2016; Pache & Santos, 2013) who have indicated that blocking and decoupling might be a much more intra-organizational, contextual and temporary phenomena than previously realized.

More specifically, our findings suggest that the observed tensions amongst Alpha employees stems from blocking and decoupling of the charity logic. As we see it, these two tactics is the result of the perplexity of having to cope with the new business logic-saturated procedures, expressed and carried out through the new PMS. As the Alpha Scorecard provides a concrete, visual representation of top management’s priorities, in the form of business logic influenced indicators, the introduction of this tool has seemingly led to a need to block and or decouple the charity logic, in order for units and, in specific, the individuals in the units who identify with this logic, to reach the business logic saturated indicators.

5.2. Staff Acceptance of the Scorecard: An Exception to the Rule

Although the main theme of the Alpha subordinate interviews was the opposition of the new PMS, often revolving around a feeling of concern that the new focus on reaching quantitative

targets would lead to a delusion of the organization's fundamental social welfare mission accomplishment, one of the subordinates consulted was of a different opinion, as she regarded this new way of working with individual responsibilities to facilitate her daily work. Considering that this respondent several times throughout the interview nevertheless showed obvious inclinations towards the charity logic mindset, this 'exception to the rule' intrigued us; how could it be that a charity-oriented member of staff so easily complied with the new business logic? We believe that the reason for this individual's (rare) acceptance of the new, business oriented way of working, can be explained by the fact that it was she herself who had decided on her personal goals (*"You know the Scorecard, I suggested myself what my goals should be, and she accepted them without any deeper discussion. Why do I need my unit head honestly?"*). Therefore, we argue that actually, the reason for her consent with the PMS could be explained by that, in practice, she was actually still in the old way of working, as it was up to her to decide which (charity-influenced) goals to work with.

Hence, this individual's satisfaction, we argue, can not serve to invalidate the common academic stance that the implementation of top-down induced, formal PMS in an NGO setting, is far from a smooth and frictionless process.

5.3. Within-unit Blocking of Charity Logic through Business Logic-Influenced Goal Distribution

Throughout the interview process, we were provided with several examples of the suppression of charity logic. The blocking was repeatedly manifested by staff members who perceived their individual goals to be 'too vertical' as they were often distributed by their manager with limited, or no, room for discussion. Other times, the individual goals were regarded as too hard to reach. These hierarchical overtones evidently stand in great contrast to the fundamental, democratic principles of the NGO arena in general and the traditional Alpha practices in particular, and thus provide a rational explanation to the frustration of these individuals.⁹

⁹ A quite telling image of the high level of 'flatness' and democracy that traditionally characterized Alpha, was, as previously described, provided by one of the unit managers:

"When I first started here there needed to be a conclusion on everything, everyone must be on board and agree on everything. Even if you didn't have anything to do with the subject, you expect to have a saying."

5.4. Within-unit Blocking of Charity Logic through Business Logic-Influenced Goal Design

The other manifestation of staff frustration caused by blocking of the charity logic, was that many of these individuals perceived the new, personal goals and Scorecard-derived indicators, to not harmonize with their personal beliefs and opinions on what activities should be performed. More specifically, there was a widespread concern that the high level of quantitative, and sometimes financial, focus of the Scorecard indicators, threatened Alpha's ability to provide high-quality services for the beneficiaries and the volunteers (*"I want to make it into a standard quality indicator, whether you have discussed a certain activity with the community or not (beneficiary engagement), as the process of consultation would be assumed to increase the service quality level. But that is a sort of internal battle"*).

As Skelcher et al point out, the Alpha staff dissatisfaction from the blocking of charity logic, can be seen as an "organizational dysfunction" (Skelcher & Smith, 2015), caused by the managerial shortcomings to create a sustainable coexistence of the logics, as the term is attributed to the situation where the logics, due to their fundamental indifferences, can not be unified. In this situation, the researchers elaborate, one logic will unavoidably be rejected, leading to "stalemate and serious disquiet" amongst organisational members.

In contrary to Skelcher et al.'s findings, however, we observe that the blocking of logics can actually be a within-unit phenomena. More specifically, while Alpha subordinates were found to be driven by a strong charity logic-orientation, the unit managers interviewed shared an obvious inclination towards business logic rationalities, in our study chiefly illustrated by their favoring of the Scorecard. Thus, the mixed attitudes towards the new, business logic influenced PMS occurred amongst actors *within* the same unit, which provides telling evidence that blocking of an organizational logic can actually be a much more intra-organizational, within-unit, phenomena, than previously realized.

5.5. Within-unit Decoupling of Charity Logic

Interestingly enough, a recurring source of staff displeasure was the perception that they had *too much* freedom and autonomy (*"Sometimes I think the freedom is too big"*). At first sight, this contradicts the, in the academic world, common standpoint that NGO staff force can, and perhaps should, be allowed a high level of individual decision making, as these individuals'

incentives and personal standards, are so highly aligned with the charity logic mission and work ethics of the organization. The fact that several subordinates complained about having a too much freedom, also gives rise to an intriguing paradox as the level of individual freedom assumingly should have decreased with the introduction of the new PMS and the many new practices and more frequent reporting procedures that followed.

We regard it as relevant to elaborate on what might have been the reasons for the freedom and autonomy, considering that the Scorecard and the related processes and reporting routines, was supposed to be implemented in the whole organization and strengthen the consensus, and thus limit the individual's level of freedom, on what to achieve. From the lens of institutional logics, a suggested explanation is that letting subordinates 'self-rule' is a way for Alpha managers to "manage the associated conflicting demands" (Pache & Santos, 2013) caused by the duality of logics, as under conditions of competing institutional demands, organizational leaders have been observed to resort to decoupling, as a coping strategy (Pache & Santos, 2013; Crilly & Hansen, 2012). Hence, by separating the Alpha staff's efforts from the achievements of the organization and the many business-logic influenced indicators, the subordinate's charity-logic orientation became decoupled and the potential 'clash' of logics could therefore be avoided.

Due to the visibility of the new PMS, the decoupling however became evident to the employees. This, we argue, is what caused their dissatisfaction. Although it should be noted that our knowledge on how staff perceived their level of freedom before the introduction of the Scorecard is limited, we argue that the new straightforward goals and indicators, in any case provides a more concrete message of the current organizational priorities. In this way, the subordinate's irrelevance in and detachment from the process of reaching those goals, inarguable becomes very obvious to these individuals.

Thus, our empirical findings provide support for the novel and highly contemporary research of Pache & Santos (2013) who found implications of that decoupling might, just as we observed in the case of blocking of charity logic in Alpha, matter-of-factly and contrary to established NGO hybridization research, be an intra-organizational phenomenon.

5.6. Explaining the Second Hand Unit's Considerable Polarization of Logics

After the alluring interview with the second hand unit subordinate, we decided to dig deeper into the contextual reasons for the apparent polarization of logics within this part of the organization. Also, the two contradictory reflections of the employee in question, describing the new distribution of responsibilities as an inconstant combination of laissez faire- and micromanaging, needed further analysis. By carrying out an interview with the unit manager, and through the perspective of institutional logics, we identify a number of potential reasons for the dysfunctional and, contradictory, leadership.

As we see it, what marks the second hand unit is its strong commercial focus, explicitly communicated in the current four-year plan and manifested by the ambitious, yet ‘easy to measure’ and monetary Scorecard indicators. These challenging goals are expected to be reached by the leadership of the unit’s newly appointed, commercial-retail background manager, who was placed on this position with the explicit pretence to “make more money” for the organization. Furthermore, the interview with the manager in question clearly showed that he had by no means adjusted his original leadership to fit the (charity-logic) NGO staff force’s, potentially diverging, preferences, as he simply did not see a need for such adjustments. In this way, the manager’s business logic focus seems to further increase the economic orientation of this unit and the financial goals that it is evaluated upon, leaving little room for the democratic, informal and soft value-orientation, traditionally distinguishing the charity-logic management.¹⁰

The above exposé could at first sight give further proof of the within-unit blocking of charity logic that we indeed observed in other units. Although such an interpretation certainly would provide an answer to why the charity logic staff was so frustrated with the new way of working, it does not explain why the same employee also complained about having too much freedom, as such an aspect fundamentally goes against what characterizes a hierarchical, business logic leadership.

Unfortunately, as the number of empirical studies on hybrid-NGO leadership is remarkably narrow, we fail to find any satisfactory explanations for our contradicting observations of the second hand unit management. In lack of alternatives, we choose to refer to this phenomena as ‘selective blocking’(Appendix 6). We can only conclude that sometimes, the leadership is

¹⁰ *‘You [others] work with your higher values and I pay for it’ as the manager put it.*

dominated by the blocking of the charity logic, while at other times, the charity logic is best described as decoupled from the unit. To some extent, this can be paralleled with the findings of Pache (2013), Chenhall et al. (2013) and Kraus, Carlson-Wall & Messner (2016) who shed light on that hybrid-NGO strategies, including decoupling and blocking, might be much more temporary and circumstantial in their nature, than previous research has managed to show.

6. Conclusions

6.1. Contributions to Previous Research

This study explored the dynamic relationship of two disparate sets of institutional logics within a humanitarian oriented organization, operating as an NGO in Sweden. The emerging global importance of non-profit, idealistic driven, charitable organizations in the relief of human distress, gives rise to the burning question on how these organizations can incorporate control- and performance mechanisms that provide sustainable strategic guidance, facilitate resource optimization, give a fair representation of the social value created and, ultimately, gets accepted by the charity logic driven NGO staff force. Also, as an increasing number of NGOs, in response to the rising, contextual challenges within the arena on which they operate, incorporate practices that up until now have exclusively been attributed to private companies, including the introduction of formal PMS, the academic interest for how these new rationales are perceived by the staff force is growing. Our research contributes to this understanding, and also highlights a number of the limitations of quantitative-intensive evaluation approaches for assessing social value creation.

Furthermore, numerous scholars within the field of NGO performance measurement have ascertained that traditionally, assessments of value creation in these organizations is chiefly carried out through non-hierarchical, “informal, organic processes” (Chenhall et al., 2010) with high levels of participative decision making, self-regulation and staff autonomy. (Doherty et al., 2014; Skelcher & Smith 2015). For these reasons, we identified Alpha’s increased emphasis on business logic rationales, including the introduction of an organization-wide scorecard tool, which “deliberately articulated controls with the use of quantitative information to focus attention on the capabilities of the NGO to deliver and manage in a businesslike manner” (Chenhall et al., 2010), as an intriguing circumstance that, if put under the academic microscope, had the potential to provide additional understanding of the

consequences of such an internal ‘redistribution’ of logics. Indeed, the traditional charity logic direction was widely shared amongst the Alpha staff force, manifested through their apparent humanitarian mission orientation, a pronounced consideration for the volunteers and beneficiaries, strong democratic beliefs and an overall disinterest or disagreement with activities directed towards increased (financial) efficiency. Consequently, Alpha’s growing latitude of business logic rationales, made visible through the new scorecard tool, in the form of increased uniformity, more structures, frequent internal reporting and follow ups, on behalf of individual decision making, caused a prevailing feeling of dissatisfaction amongst the charity logic-oriented subordinates. The charity logic direction of these individuals was also manifested through the concerns that the organizational changes would happen on the expense of the volunteer- and beneficiary service quality. In this way, our findings provide additional support to the discoveries of previous scholars about the attributes of the charity logic and the nature of the clashes that might originate when a new logic emerges.

Although our findings provide substantial support to the empirical NGO studies that have reported on internal skepticism and conflict to arise within these organizations, in the aftermath of increased business logic incorporation (Doherty et al., 2014; Chenhall, 2013; Chenhall et al., 2010; Hustinx & Waele, 2015; Martello et al., 2011; Hayes, 2016), those studies have generally acknowledged that these tensions *do* occur, without much consensus on how NGO leaders actually go about handling the confrontation of two fundamentally diverging logics. Our study, in contrast, has sought to shed light on the leaders’, and more specifically, the unit level, managers’ responses to the duality of logics, since their role as a “key linkage between institutional logics and intraorganizational processes” (Pache & Santos, 2013) from their exposure to the diverging preferences of NGO subordinates and senior managers, make them deserve additional, analytical attention. Due to the outline of our research, our study indirectly also adds to the negligible, yet sought-after, research of the (hybrid) NGO governance chain.

Alpha’s introduction of formal, organizational wide goals and quantitative dominant indicators and the more frequent and structured distribution and follow up of those, has, as we see it, caused situations where unit managers have been met with a binary set of logics, as they are ultimately the ones responsible for putting the new procedures into practice and hence, to make the charity logic-oriented subordinates accept and incorporate a fundamentally different rationale into their daily works. A recent, albeit modest, number of scholars have

been able to map out some of the possible managerial responses for these type of situations, in the form of organizational-level decoupling, the ‘saying one thing but doing another’, or compromisation, “conforming through the minimum [external] standards of what is accepted” (Pache & Santos, 2013) (Chenhall et al., 2013; Hustinx & Waele, 2015; Martello et al., 2011; Hayes, 2016; Pache & Santos, 2013). An even more novel -and modest- stream of NGO researchers have however been able to show that in fact, management’s response to diverging logics, might be a much more multifaceted, internal and dynamic, phenomena, than previously understood, as different logics seem to have the potential to dominate different departments within the organization (Pache & Santos, 2013; Skelcher & Smith, 2015), or at different points in time (Chenhall et al., 2013; Kraus & Carson-wall, 2016). Our research provides strength to these unconventional findings, as we observed several examples of where the charity logic, due to the comprehensive incorporation of business logic concepts, either got neglected (decoupling) or suppressed (blocked). However, in great contrast to former scholars, we manage to provide examples that are best explained as *within-unit* decoupling and blocking of logics, where the unit manager’s business logic dominated leadership, was much in antithesis to the charity logic instilled subordinates, in the very same units. Moreover, we seem to have been able to distinguish an, up until now, unrevealed hybrid-NGO leadership strategy, brought to light in Alpha’s second hand unit. In this part of the organization, we claim that the strong subordinate aversion towards the new procedures, was explained by that the unit manager exercised a combination of decoupling and blocking of the subordinate’s charity logic. This extraordinary phenomena, we chose to entitle ‘selective blocking’. Through these findings, we both deepen and widen the general understanding of how hybrid-NGO managers seek to handle the duality of logics.

6.2. Limitations

Several of the respondents were relatively new Alpha employees and in addition, neither of us had in any way interacted with the organization in question in the years foregoing the many comprehensive reorganizations described in this study. Therefore, our knowledge about the initial scenario and how it contrasted to the ‘new’ management, is to some extent arbitrary as it is the result of secondary sources. Put differently; our understanding of the transition towards increased business logic rationales, is first and foremost based upon the opinions and reflections of a limited number of respondents, which of course must be considered when

interpreting our findings. Still, as our view and conclusions about these transitions are drawn from a wide variety of data, we regard our descriptions and assessments to be fair.

Furthermore, in order to better understand our uncommon findings, it is of great relevance to carry out similar studies within other NGOs, to get a perception of to what extent our findings can be equated to the NGO sector as a whole, without being ruled out as a single, isolated occurrence.

If it would have been viable, we would ideally have performed the interviews over a longer period, in order to have more time to interpret the findings throughout the interview process. This would have provided us with more room to possibly refine and adapt our questions during the course of the process and to an even higher extent customize our questions to better fit each specific respondent and their unique position. On the other hand, our (relatively) unbiased starting point might just as well have been to our advantage, as it arguable contributed to creating neutral, agile and open-minded discussions.

6.3. Suggestions for Future Research

The unrecognized and undiscovered managerial phenomena identified in our research, by all means signifies that the existing map out of the various strategies of hybrid-NGO leaders to, subconsciously or consciously, readjust or disproportion the relation between two, radically different, institutional logics, is far from complete. Although our study contributes to the narrow and sought after understanding of “which elements of the logics organizational actors enact as they try to navigate competing demands” (Pache & Santos, 2013) there is need for considerable research on what factors that drive these behaviors; was it primarily the monetary focused performance indicators of the second hand unit that caused the high level of business logic orientation in this specific part of the organization, or was it maybe the unit manager’s long commercial retail experience that played the most important role? To strengthen and enrich our novel findings, we suggest exploring hybrid-NGOs and the management of logics on the basis of alternative accounting tools, such as budgeting or balanced scorecard reporting.

Secondly, as our study was carried out quite shortly after the many changes had been finalized, we can not draw any conclusions whether the managerial responses identified in our

research of within-unit decoupling, blocking and ‘selective blocking’ are sustainable in the long run. Therefore, it would be an interesting approach for researchers to study a specific hybrid-NGO over several years, to see if the leader’s strategies identified in our research change, or *need* to change, over time. Such studies should contribute to the academic understanding of hybrid-NGO management, but also be of vast importance for the continued prosperity of the NGO arena and the social value created within it, as an organization’s survival is after all ultimately reliant on a sustainable leadership.

6.4. Acknowledgements

This research would not have been accomplished without the precious guidance from Kalle Kraus. With immense insight into the many complexities of PMS in general and NGO performance management in particular, his judgment and -sometimes firm- recommendations, was of crucial importance during the course of the process.

Neither would our research had been carried out without the open-heartedness of the many enthusiastic, compassionate employees that met with us during our time at Alpha. Our respect and appraisal for the many devoted individuals within the organization, who on a daily basis pursue to make the world a little better, is enormous.

7. Appendix

Appendix 1: Overview of Institutional Logics (Previous Research)

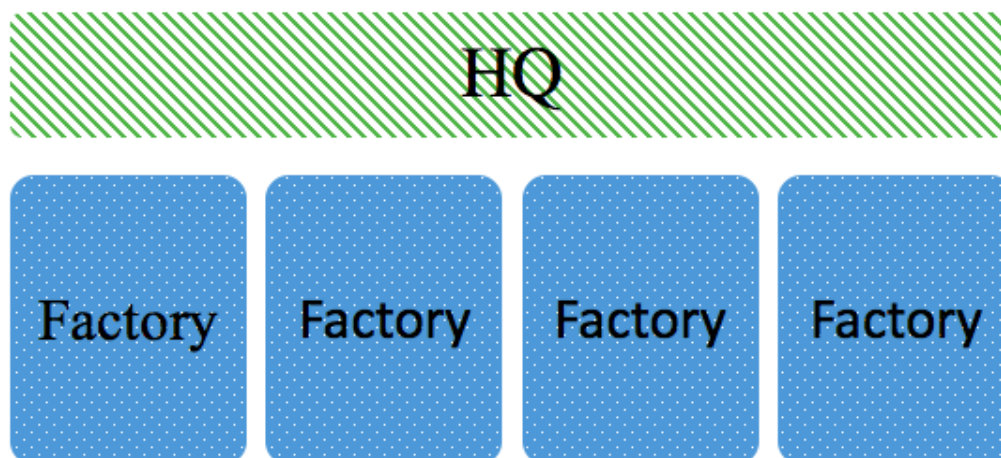
Stripes: Charity Logic

Dots: Business Logic

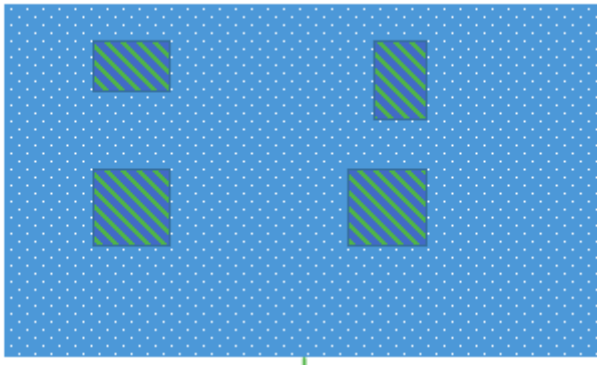
Appendix 1.1. Organizational Level Decoupling



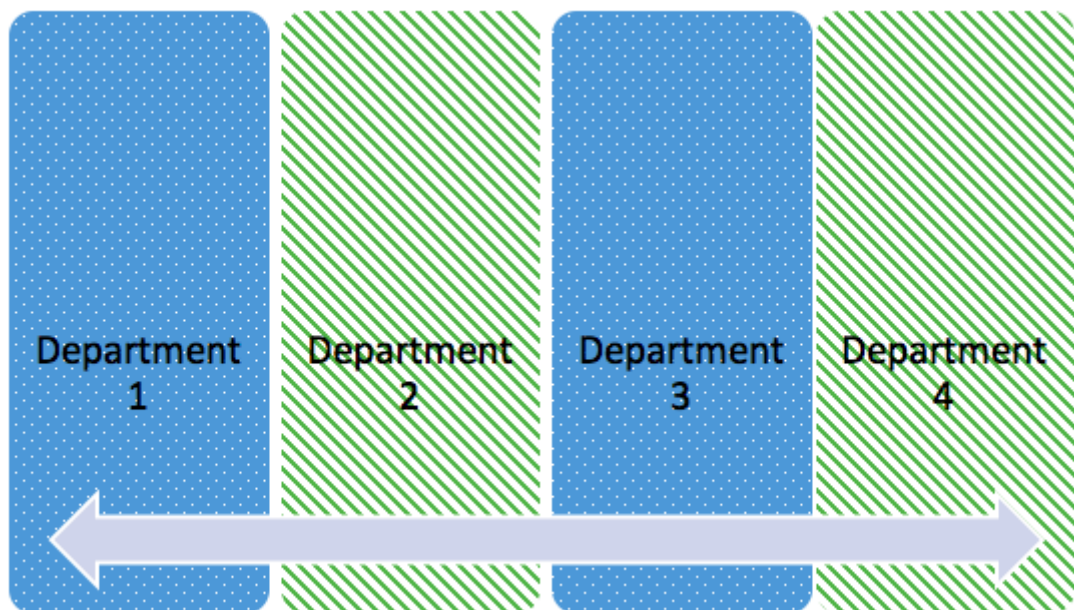
Appendix 1.2. Organizational Level Selective Coupling



Appendix 1.3 Organizational Level Blocking



Appendix 1.4 Organizational Level Segmentation



Appendix 2: List of Interviewees

(National) Department	#	<i>Interviewee</i>	<i>Date</i>
Association & Development	1	Unit Manager	2017.02.02
	2	Subordinate	2017.02.06
Economy & Staff Support	3	Chief Controller	2017.01.29
	4	CFO	2017.02.01
Communication & Fundraising	5	Subordinate	2017.02.06
	6	Unit Manager	2017.02.09
	7	Subordinate	2017.02.06
	8	Subordinate	2017.02.16
Domestic Operations	9	Subordinate	2017.02.08
	10	Unit Manager	2017.02.09
International Departments			
	11	Subordinate	2017.02.02
	12	Subordinate	2017.02.08
	13	Subordinate	2017.02.09
	14	Unit Manager	2017.02.16
	15	Subordinate	2017.02.01
	16	Unit Manager	2017.02.08
	17	Subordinate	2017.02.03
	18	Subordinate	2017.02.03

Appendix 3: Interview Outline

Pre-interview procedure

1. Showing appreciation for coming for the interview.
2. Brief introduction of our background and the research topic.
3. Informing that it will be an anonymous case both of the interviewees and the organization, and asking for the permission of taking voice record.

Interview questions sample:

General questions:

1. Can you briefly describe your current role and job in Alpha?
2. How long have you worked in this organization and do you have experience working in the for-profit sector? If so, what are the big differences you can tell between that sector and Alpha?
3. Have you seen any changes during the time you are here in Alpha?

Questions for the people from General Secretary:

1. When was the concept of Scorecard introduced and what tools did you use before?
2. What weakness with the previous performance measurement did you identify and lead to the development of Scorecard?
3. Who is the audience of Scorecard and who are involved in designing and developing Scorecard? And how does the developing process look like?
4. Considering that you are so dependent on outside factors, is it hard to set absolute revenue and cost targets?
5. Which are the key financial ratios that you have identified which you measure in order to secure your “long term revenue”?
6. Is it hard to combine a long term/ sustainability focus with keeping (admin-) costs and thus the SIK-number low?
7. To what degree your strategic decision is influence by keeping SIK number low?

Questions for Unit Staff:

1. This idea with the Scorecard i.e. the design of mutual goals for the whole organization

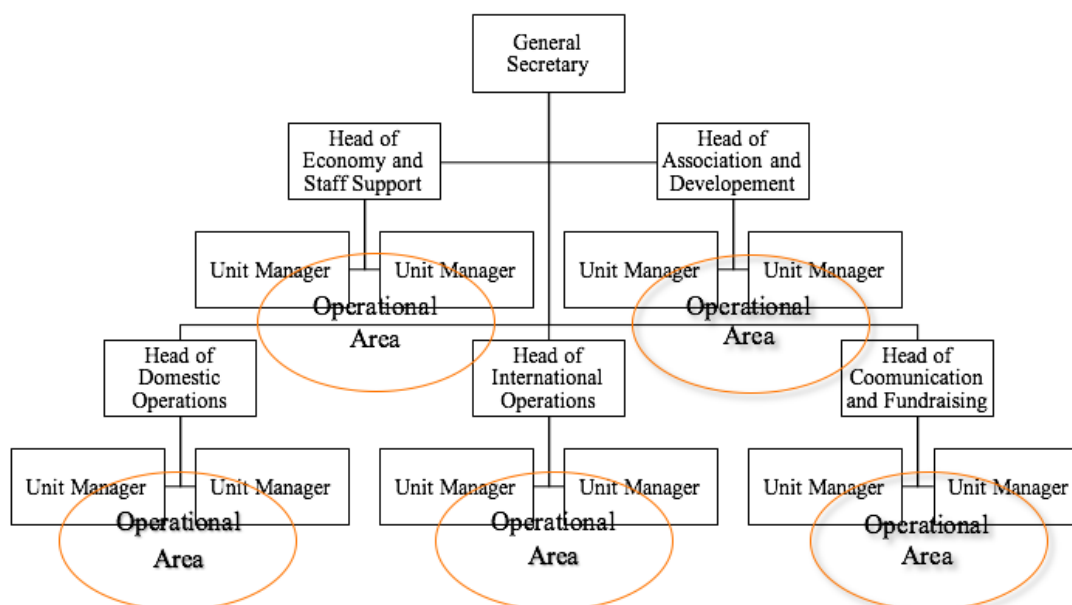
to work towards, has it changed your role as a manager? Do you have similar tasks and responsibilities now? (For managers)

2. To what extent are you involved in deciding on the Scorecard and indicators, i.e. setting the strategic targets of the organization?
3. Since all employees have “Goal talk “where the unit managers meet the people within their unit to discuss their personal objectives and targets. Before the introduction of the Goal talks, how was your job performance measured and discussed?
4. How can a typical Goal talk-meeting look like? What is expected from you?
5. Do you think the introduction of the “Goal talk” has helped you in your work? Why/why not?
6. Have your responsibilities changed since the introduction of the “Goal talk”?
7. Do you help to develop your individual goals and what extend you can influence your own targets?
8. Do you have any specific targets that you work towards at the moment?
-If yes: How is your performance evaluated?
- If yes: do the personal targets motivate you? Why/why not?
9. How do you decide and distribute the tasks and responsibilities in your unit?
10. How much freedom of action do you have? Which decisions can you take and which decisions can you not take without discussing it with your boss?
11. Considering people have difference in values and backgrounds, how do you align all the different beliefs of people with the overall strategy of the organisation? (For managers)
12. Do you see any future challenges and areas of focus within the unit, maybe also in the organization?

Post interview procedure:

1. Asking whether the interviewees have more interesting add-ons and comments.
2. Asking about the possibility to get back in contact in case needed.
3. Asking if they have any recommendations on their colleague who is relevant to our topic.
4. Thanking and ending the interview.

Appendix 4: Alpha's New Organizational Structure



Appendix 5: The Alpha Scorecard

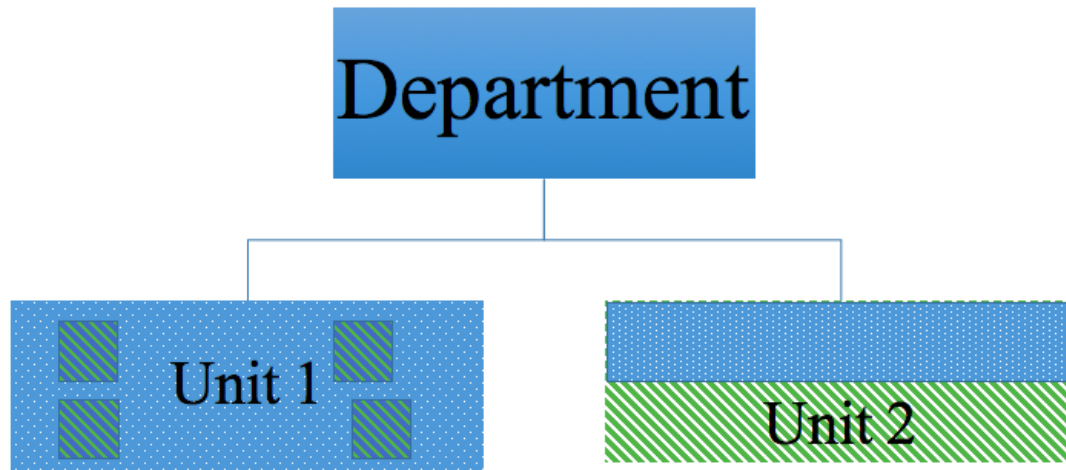
	Goal	Indicators
1	More people in acute crisis have been given relevant support in an efficient and sustainable way	1.1. Number of people reached in acute crisis 1.2. Increased funding allocated to acute crisis response (increase in %)
2	Our collected earnings increase by 50% in the period 2016-2019	2.1. Change in earnings, excluding financial income, compared to average of 2014-2015
3	Volunteers, local branches and partner companies respond in a strong and sustainable way to humanitarian needs and crisis	3.1. Number of volunteers 3.2. Number of asylum accommodations offering Alpha activities 3.3. Number of Municipalities offering Alpha activities
4	People and societies in vulnerable situations have a strengthened crisis-response resilience	4.1. Number of people reached in our long-term work
5	We develop strategic collaborations and partnerships	5.1. Number of strategic partnerships
6	<i>Increased influence in the humanitarian debate*</i>	
7	<i>The connection between what we do internationally and nationally is strengthened. We work with mutual methods and strengthen our knowledge within crisis and capacity development. *</i>	
8	<i>Increased faith for Alpha as an organization increases within public *</i>	

**As brought to attention by the controller and managers, some goals in the scorecard are not currently evaluated, due to the “practical difficulties” of finding quantifiable metrics for those. Hence the lack of indicators in the table.*

Appendix 6: Overview of Institutional Logics in Alpha

Stripes: Charity Logic

Dots: Business Logic



Unit 1: Within-unit blocking of charity logic

Unit 2: Within-unit decoupling of charity logic

Appendix 7 : References

7.1. Overview of Internal (Alpha) References

File Name	Resource	Language
Organizational Structure, 1 Dec 2016	Internal Download	Swedish
Organizational Structure, 1 Jan 2017	Internal Download	Swedish
Funding Strategy for Alpha, 2016-2019	Internal Download	Swedish
Instruction to Business Plan PUFF	Internal Download	Swedish
Draft Scorecard	Internal Download	Swedish
Q&A on the Review Organization	Internal Download	Swedish
Individual Target Plan Documentation	Internal Download	Swedish
Target Plan - Instructions	Internal Download	Swedish
Employee Survey 2013	Internal Download	Swedish
Employee Survey 2015	Internal Download	Swedish
PMER Pocket Guide	Open Source From Internet	English
Alpha Effect Report 2013	Internal Download	Swedish
Alpha Change Management 2012	Internal Download	Swedish
Alpha Mission Descriptions 2011	Internal Download	Swedish
The Humanitarian Strategy For Alpha, 2016-2019	Internal Download	English
Business Plan and Budget 2016	Internal Download	Swedish
Guidelines for Corporate Partnerships	Internal Download	Swedish
Instructions and Plan, Operations in 2017	Internal Download	Swedish
Alpha Follow up 2012	Internal Download	English
Standalone Alpha Staff Intranet Posts, Uploaded 2009-2016	Alpha Staff Intranet	Swedish
Alpha Annual Report 2011	Internal Download	Swedish
Summary, World Humanitarian Summit 2016	Internal Download	Swedish

7.2. External References

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