Management Control Systems and Multiple Logics
– a case study of a change process in a health care organization

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Abstract

The health care sector demonstrates how organizations are faced with conflicting demands in their institutional environment which they need to respond to (Scott, 2000). On the one hand, the medical logic emphasizes professional values of providing appropriate care to patients, and on the other hand, the business logic emphasizes cost-effectiveness by promoting an efficient use of resources (Reay and Hinings, 2009). Organizations need to manage these competing demands and logics through continuously changing themselves, using tools such as management control systems (MCSs). To understand how the MCS is used in an organization facing multiple logics to drive change from within, a case study was conducted at a Swedish privately-owned primary care center. The framework by Seo and Creed (2002) on embedded agency is used to analyze our empirical data in order to add an additional perspective to the literature on management accounting in a multiple logics context. Two main contributions can be drawn from our findings. Firstly, MCS can mobilize power and resources to change agents to initiate a change in MCS. Secondly, MCS can act as a vehicle to transfer power during a change process, resulting in a rebalancing of logics. We conclude that the MCS has a significant role in the process of an internally driven change in a multiple logics context, affecting the balance of logics within the organization.

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1. Introduction

> *"That question [trade-off between profitability and good health care] always pops up. The classical endnote for that question is that "good health care is expensive". But I don't believe there's a conflict between profits and health care; good profitability creates the foundation for good health care."*
> *(Business Controller at HealthCo)*

Health care organizations today are facing different pressures from the institutional environment in which they operate (see e.g. Laughlin et al., 1994; Greener, 2005). On the one hand, the medical logic emphasizes professional values of providing appropriate care to patients. On the other hand, the business logic emphasizes cost-effectiveness by promoting an efficient use of resources. (Reay and Hinings, 2009) This puts constraints on health care and other publicly funded services that are required to sustain volume and quality, to reduce demands on taxpayers and become more efficient and effective (Brignall and Modell, 2000). Many reforms have been implemented under the umbrella of New Public Management to introduce management techniques from the private sector into public sector organizations (Hood, 1995). These reforms concerning economic rationality, cost-awareness and efficiency in the management of public sector organizations, have become increasingly more popular all over the world (see e.g. Preston, 1992; Laughlin et al., 1994; Greener, 2005).

The health care sector illustrates how some organizations are faced with long-lasting conflicting demands in their institutional environment, which they need to respond to (Scott, 2000; Reay and Hinings, 2009). The dynamic nature of institutional environments imply that organizations need to continuously adapt themselves to these competing demands, using tools such as management control systems (MCSs) to carry out organizational objectives and strategies (Otley, 1999). We define MCSs according to Chenhall (2003, p. 129) as a "broader term that encompasses management accounting systems and also includes other controls such as personal or clan controls". As a subset of MCSs, management accounting system refers to the systematic use of budgeting practices, for instance, to achieve a predetermined goal (Chenhall, 2003). A MCS change could be a new system or a change in the use of an existing system (Rautiainen and Järvenpää, 2012).

Previous research (see e.g. Sundin et al., 2010; Chenhall et al., 2013; Pache and Santos, 2013) show that MCSs are designed and used in different ways in organizations that face multiple and competing institutional logics, which are defined as taken-for-granted prescriptions that guide behavior of actors (Battilana, 2006). As embedded practices within organizations, MCSs are used in different ways to handle the institutional pressures that are represented within the organization (Pache and Santos, 2010). However, this seems to depend on the organizational actors, the type of management accounting system in use and the prevailing field-level logics. A further examination of the dynamics in the interaction between MCSs and institutional logics shows that the MCS can act as a mediator of rules and routines between organizational actors and institutions through a change process (Burns and Scapens, 2000). In highly institutionalized environments with multiple logics, such as public sector organizations, the change in MCS is mostly seen after the introduction of a new management accounting tool, such as enterprise resource planning system, budgeting practices and Balanced Scorecard, forced upon them by the government (Hyvönen et al., 2009; Ezzamel et al., 2012; Rautiainen and Järvenpää, 2012). These studies show that institutional logics play a significant role in how new MCSs are institutionalized and how they develop within that context as a result of the change (see e.g. Hyvönen et al., 2009; Ezzamel et al., 2012; Rautiainen and Järvenpää, 2012; Järvinen, 2016). Other studies in the field of accounting and multiple logics addressing change often look at exogenous sources of change, which come from outside the organization (Reay and Hinings, 2009; Ezzamel et al., 2012). In such cases, the MCS is often a vehicle for introducing a new logic or has the function of a tool used by actors within the organization to gain more power (Ezzamel et al., 2012; Hyvönen et al., 2012) and can reflect and enable different logics within the organization (Ezzamel et al., 2012).

Since changes in the institutional pressure that impact the MCS mainly come from outside the organization (exogenous), we identify a research gap in the role of the MCS in a change that comes from within the organization (endogenous), since organizations can change from within despite an unchanged external environment. This is because organizations facing the same institutional pressures respond to those pressures in different ways and adopt different forms of change (Greenwood and Hinings, 1996). From an institutional perspective, this can be explained by internal institutional dynamics such as interests, values, power dependencies and capacity for action (Greenwood and Hinings, 1996), or institutional entrepreneurs driving endogenous change

from within with the help of their social position (Battilana, 2006). However, from a management accounting perspective, it is not evident what kind of role the MCS has in an endogenous change process in such organizations. In the field of management accounting, Hyvönen et al (2012) empirically identified institutional entrepreneurs in the Finnish municipal sector driving an endogenous change. The aforementioned articles provide some insight into the effect of endogenous change, however, further research is needed to analyze the role of change agents; how they can arise in a multiple logics environment, how do they handle the countering institutional forces and how they mobilize resources to implement change? Since MCS can also be mobilized as a resource for action (Ahrens and Chapman, 2007), how can it be used in an endogenous change process? More research is needed to look into the role of accounting systems and MCS as a medium in the change processes initiated from within organizations and how this enables them to respond to conflicting institutional demands (Järvinen, 2016). Also, our study responds to the call for researching the institutional effects of MCS and the impact MCS can have on the enactment of multiple logics in the organization (Modell, 2009). Therefore, we investigate the following research question:

How is the MCS used, in an organization facing multiple logics,
to drive change from within?

To understand how the MCS is used in a change process to handle competing logics in an organization, a retrospective longitudinal case study was conducted at a Swedish primary care center (henceforth 'Alpha'), which is a part of to the privately-owned health care organization HealthCo. In line with previous studies on MCSs in a multiple competing logics context, our thesis is based on the assumption that institutional logics need to be competing or incompatible in order for the MCS to play an important role in handling that tension (see e.g. Sundin et al., 2010; Ezzamel et al., 2012; Rautiainen and Järvenpää, 2012; Pache and Santos, 2013). 21 semi-structured interviews were conducted with employees at Alpha to understand the change process the organization went through in 2014-2015 and the role of the MCS during that time. An embedded agency framework by Seo and Creed (2002) is used to analyze our empirical data in order to add an additional perspective to the literature on management accounting in a multiple logics context. This framework allows an in-depth process based perspective on the role of the MCS in relation to the institutional contradictions and how change agents mobilize action and gain momentum.

Our findings show that the three institutional contradictions; inefficiency, interinstitutional incompatibilities and misaligned interests, led to the emergence of change agents that collectively initiated and implemented MCS change in Alpha and a rebalancing of the institutional logics.

We contribute to the research gap in two main ways. Firstly, the MCS can mobilize power and resources to change agents to initiate a change in MCS. Secondly, the MCS can act as a vehicle to transfer power during a change process, resulting in a rebalancing of logics. We conclude that MCSs can be used in an effective way to handle the balance between conflicting logics within organizations through a change process. This has practical implications for managers to use the control systems to steer employees towards organizational objectives and strategies. Therefore, we suggest that managers can handle these somewhat conflicting pressures and demands with the help of MCSs and that involving employees, e.g. through transparency, decision-making and interactive use of MCSs, in the change process is important.

The remainder of the paper is structured as follows. Section 2 introduces the domain theory, method theory and theoretical framework that set the theoretical background of this study. Section 3 describes research methodology, followed by Section 4 describing our empirical findings. Section 5 discusses and analyzes the findings. Finally, Section 6 presents our contributions, limitations and avenues for further research.

2. Theory

This section presents the theoretical background of this study by positioning it in the accounting domain of MCSs in a multiple logics context. Firstly, we review the state of current research on how MCSs are designed and used in different ways in organizations that face multiple and competing institutional logics. By analyzing the research on dynamics of the interaction between MCS and institutional logics, we find that institutional logics play a significant role in how new MCSs are institutionalized and how MCSs develop in that context. Since changes in the institutional pressures that impact the MCS mainly come from outside the organization (exogenous), we identify a research gap in the role of the MCS in a change that comes from within the organization (endogenous). Secondly, we adopt a method theory on embedded agency as the theoretical perspective to analyze our empirical data. Finally, the domain theory and method theory

are integrated into a theoretical framework to analyze the findings from the empirics and fill the research gap.

2.1 MCSs in a multiple logics context

2.1.1 The design and use of MCSs in a multiple logics context

Accounting research based on institutional theory shows that management control systems (MCSs) are designed and used in different ways to manage the tension that arises in organizations facing a conflict of logics (see e.g. Sundin et al., 2010; Chenhall et al., 2013; Pache and Santos, 2013). The institutional logics refer to the various institutional demands that organizations need to conform to in order to gain legitimacy and these logics shape individual's behavior within the organization (Thornton and Ocasio, 2008; Pache and Santos, 2010). Organizational fields are rarely influenced by a single logic, but rather multiple and sometimes even competing logics (Reay and Hinings, 2005). Empirical studies have identified institutional logics in various fields, for example medical professionalism and business-like health care in hospitals, sports logic and business logic in a football organization, and in the British educational field, the three logics of governance, business and professionalism were identified (Reay and Hinings, 2005; Ezzamel et al., 2012; Carlsson-Wall et al., 2016). Logics within an organization can be competing when fulfilling one logic would not be compatible with another logic, which causes a tension. Competing logics can be situation-specific (Carlsson-Wall et al., 2016) or permanent (Reay and Hinings, 2005; Reay and Hinings, 2009; Busco et al., 2017). The conflict between multiple logics and the tension that organizations face can be managed through MCSs. Previous management accounting literature often use the concepts of decoupling and compromise to describe mechanisms through which organizations can handle competing logics (Modell, 2009; Pache and Santos, 2013. These mechanisms will now be defined and discussed in the context of designing and using MCSs.

Decoupling is defined as symbolically adhering to a MCS, but not letting it guide any action on an operational and practical level in the organization (Pache and Santos, 2013). This mechanism is often used when an external institution prescribes a policy that clashes with existing logics in an organization (see e.g. Siti-Nabiha and Scapens, 2005; Chang, 2006). Siti-Nabiha and Scapens (2005) found that decoupling between key performance indicators and the day-to-day activities, does not only occur as an organizational response to external pressures, but also as a resistance to accounting change within an organization. Further, Chang (2006) studied local managers' response

to central governments' implementation of a Balanced Scorecard, which was perceived as a top-down control mechanism that disregarded factors driving local performance. This resulted in a distortion of clinical priorities and manipulation of performance information to gain legitimacy from central government.

Compromise is defined as achieving an acceptable balance between different logics in an organization by introducing elements of both (Oliver, 1991). The design and use of MCS is important in creating a balance between multiple logics (see e.g. Siti-Nabiha and Scapens, 2005; Sundin et al., 2010; Chenhall et al., 2013; Carlsson-Wall et al., 2016). Chenhall et al. (2013) propose that the co-existence of multiple logics can be productive when accounting practices facilitate compromise – groups making mutual concessions in order to agree on the final form and content. This is made possible when accounting practices are designed with elements that speak to different stakeholder demands to recognize and respect their different modes of evaluation. Carlsson-Wall et al. (2016) showed how a football organization, by using the performance measurement systems, managed the tension between incompatible logics through a situation-based compromise, depending on the performance level of the two logics related to their goals.

In addition to the commonly researched mechanisms of decoupling and compromise, the concept of combining has recently been introduced as a mechanism to handle conflicting logics in an organization (Pache and Santos, 2013). It describes the combination of activities from each prevailing logic so that they are compatible when taking different decisions in an organization (Pache and Santos, 2013). For example, Tracey et al. (2011) show how a hybrid organization that combine the logics of charity and commercial retail to deal with a social issue in a more efficient manner. Furthermore, collaboration for a common universal idea has also been suggested as a mechanism to handle competing logics by Rautiainen and Järvenpää (2012). They argue that a common vision or a universal idea, such as modernity, can enable competing logics to retain their separateness and allow improved co-operation and performance (Rautiainen and Järvenpää, 2012).

In summary, MCSs can be designed and used in different ways for organizations to balance competing institutional logics. However, this seems to depend on the organizational actors, the management accounting tools and the prevailing field-level logics. Therefore, we will continue with examining the dynamics in the interaction between MCSs and institutional logics in further detail.

2.1.2 The interaction between MCSs and multiple logics

MCSs can be conceptualized as embedded practices within organizations that are used in different ways to handle the internally represented pressures from the institutional field (Pache and Santos 2010). Therefore, the use of MCSs are affected by institutional pressures from both within and outside the organizational boundaries. Research in management accounting show that institutional logics play a significant role in how new MCSs are institutionalized and how they develop within the institutional context (see e.g. Hyvönen et al. 2009; Ezzamel et al. 2012; Rautiainen and Järvenpää, 2012; Järvinen, 2016).

Variation in the use of MCS can depend on the organizational response to institutional logics and demands (Hyvönen et al. 2009; Rautiainen and Järvenpää, 2012) or the relative dominance of multiple logics in a given organization (Ezzamel et al., 2012). In the comparative study conducted on two units within the Finnish Defense Forces, the researchers found that following the external pressure for changing the management accounting system the two units responded differently because of a different balance of institutional logics (Hyvönen et al., 2009). Different strategic responses to institutional demands were used inside the organization to keep the management accounting systems stable following the changed institutional demands. Similar findings were found in another comparative case study of a Finnish public sector organization by Rautiainen and Järvenpää (2012). The authors find that the use of performance measurement systems differed due to the organizational response to institutional logics and pressure. The authors find that changed use of performance measurement system routines did not automatically change the focus of institutional logic in the organizations (Rautiainen and Järvenpää, 2012). In contrast, a longitudinal study by Ezzamel et al. (2012) shows that budgets that were introduced in the British education sector could act as a vehicle for a new business logic to become intertwined with the other logics of governance and profession. The authors analyze how the three logics compete for attention in the budgeting process and find that, depending on the relative dominance of the three logics in a given school, budgeting would be practiced in different ways, thus leading to practice variation within the educational field (Ezzamel et al., 2012).

Institutional logics can also drive the emergence of new accounting systems and explain changes in MCS. Their comparative case study by Järvinen (2016) shows the importance of how accounting systems react to a shift in field-level logics. The author argues that accounting and management

controls can mediate and negotiate between multiple and conflicting objectives and choose institutional logics in the organizational field. Organizational actors disrupt and create institutions by developing their management accounting and control systems under competing institutional logics. (Järvinen, 2016) How MCS become institutionalized in an organization is an ongoing, dynamic process described by Burns and Scapens' (2000) framework that explores the relationship between actions and institutions. The framework demonstrates the importance of organizational routines and institutions in shaping the processes of management accounting change and subsequently how management accounting practices become institutionalized. Their analysis of the internal process and the dynamic aspect of how that process develops through time, sheds light to the somewhat static research on the relationship between MCSs and institutional logics.

In summary, institutional logics play a significant role in how new MCS are institutionalized and how they develop within that context. As embedded practices within organizations, MCS are used in different ways to handle the internally represented institutional pressures. The MCS can therefore act as a mediator of rules and routines between organizational actors and institutions through a change process (Burns and Scapens, 2000). A further step researchers have made is analyzing the importance of different sources to the change. Therefore, we will analyze the source of change in the institutional pressures and what kind of role the MCS has depending on the source.

2.1.3 The role of MCSs in change processes in a multiple logics context

Previous research in the field of accounting and multiple logics mainly look at how changes in institutional pressure that impact the MCS come from outside the organization, i.e. exogenous change (see e.g. Reay and Hinings, 2009; Ezzamel et al., 2012). Exogenous change in institutional pressures can be market selection pressures, political contestation, social movements, new public policies or government regulation (Thornton and Ocasio, 2008). Many studies examine the introduction of new management accounting systems induced by the government in public sector organizations, a field often described with inherent competing logics (see e.g. Hyvönen et al., 2009; Ezzamel et al., 2012; Rautiainen and Järvenpää, 2012; Järvinen, 2016). In such cases, MCS can be a vehicle for introducing a new logic. A study by Ezzamel et al. (2012) examine the introduction of budgeting in the British educational field and find that new MCS incorporated all logics within the organizational context, as organizational actors who felt disadvantaged by the

new accounting practice incorporated their logics into the interpretation of it (Ezzamel et al., 2012). By emphasizing the meeting of micro and macro-levels, the authors argue that even though budgeting was introduced in the name of business logic, it was intertwined with the other logic inside the organization (Ezzamel et al., 2012). Additionally, organizational actors can develop the MCS to negotiate a balance between competing logics, so that it functions as a medium over which logics could connect (Järvinen, 2016).

However, this line of research on multiple logics from an accounting perspective is less precise on how changes in the institutional pressure that impacts the MCS can come from inside the organization, i.e. endogenous change. This aspect is relevant considering that organizations facing the same institutional pressures respond to those pressures in different ways and adopt different forms of change (Greenwood and Hinings, 1996). From an institutional perspective, this can either be explained by internal dynamics such as interests, values, power dependencies and capacity for action (Greenwood and Hinings, 1996), or institutional entrepreneurs driving endogenous change with the help of their social position (Battilana, 2006). However, from a management accounting perspective, it is not evident what kind of role the MCS has in initiating and driving an endogenous change process. Institutional entrepreneurs driving endogenous change have been identified empirically in the field of management accounting (Sharma et al., 2010; Hyvönen et al., 2012). Sharma et al. (2010) study the introduction of MCS in a telecom company and how change agents institutionalized the new practices, by making use of opportunities that arose in a changed, exogenous, field environment. Further, Hyvönen et al. (2012) study how institutional entrepreneurs within the organization achieved an accounting change in the Finnish municipal sector. By using rhetoric and accounting talk about cost savings and modernity that would come with the accounting change, they managed to mobilize the support from two important audiences; the municipal decision-makers and the municipal CFO, who had the decision-making power regarding resources. Circulating abstract ideas and mobilizing them at a local level with the help from different audiences helped the institutional entrepreneurs achieve the accounting change they aimed for.

An endogenous change that results in changed institutional pressures is likely to "challenge existing meanings and values" and such change is deemed to be more subject to resistance than exogenous change (Burns and Scapens, 2000, p. 10). Therefore, the success of the change depends

on whether change agents possess sufficient power to provide energy and momentum in the implementation process (Burns and Scapens, 2000; Burns, 2000). Although Hyvönen et al. (2012) study agents' active agency in change that originates from the organizational field, the tools used for mobilizing groups with the same interest and who possessed the power needed to achieve a change was through rhetoric and abstract ideas. However, accounting tools can also be mobilized as a resource for action to fit objectives of organizational subunits (Ahrens and Chapman, 2007). Therefore, it is not evident what kind of role management accounting tools can have in an endogenous change. The study by Hyvönen et al. (2012) lacks an in-depth process based perspective and leaves several questions unanswered: How can change agents arise in a multiple logics environment? How do they handle the countering institutional forces? How do they mobilize resources to implement change? Most importantly, what is the role of the MCS in these processes? Therefore, we identify a gap in the accounting literature on MCS in an organization facing multiple competing logics regarding the role of the MCS in endogenous change. More research is needed to look into the role of the MCS as a medium in change processes initiated from within organizations and how this enables them to respond to conflicting institutional demands (Järvinen, 2016). In order to fill this gap in the accounting literature, we investigate the following research question:

How is the MCS used, in an organization facing multiple logics,
to drive change from within?

Analyzing an endogenously driven change allows us to bring in the paradox of embedded agency into the domain of accounting and institutional logics; if institutional logics are embedded within the organization and thus affecting the actions of agents, how can agents initiate changes on the context by which they, as actors, are shaped? (Seo and Creed, 2002). Recent research have investigated the micro-level dynamics inside an organization with multiple logics and the role of MCSs in that context (Rautiainen and Järvenpää, 2012; Carlsson-Wall et al., 2016). We aim to expand on the research on the micro-level dynamics inside an organization with multiple logics and the role of MCSs in that context by analyzing an endogenous change. Through this we hope to contribute with a better understanding of how actors within organizations use MCSs to shape the institutional context in which they are embedded and provide further insight into the role of MCS in an environment with multiple logics.

2.2 An embedded agency framework

As the focus of this paper is on the role of the MCS in an endogenously driven change within an organization facing multiple competing logics, we present a method theory based on embedded agency to contribute to the current accounting research on the relationship between MCS and institutional logics. This perspective can illuminate the dynamics of the change process and the role of the MCS.

Researchers have argued over the apparent paradox of institutional embeddedness and agency (Seo and Creed, 2002). If institutional logics are embedded within the organization and thus affecting the actions of agents, how can agents initiate changes on the context by which they, as actors, are shaped? This is called the paradox of embedded agency that Seo and Creed (2002) addresses in their framework. The framework explains institutional change through linkages between institutional context and human agency. It employs a dialectical perspective, which is focused on the long-term ongoing processes that produce, maintain and transform organizational arrangements. The framework links institutional embeddedness and institutional change through the mediating mechanisms of institutional contradictions and human praxis. Firstly, institutional contradictions are created through inconsistencies and tensions in social systems that emerge as a result of institutional processes. Secondly, the accumulation of institutional contradictions in some cases transform the embedded social actors into change agents inside the institutional arrangements. Thirdly, the change agents exploit the institutional contradictions to bring about change.

Seo and Creed (2002) take their starting point from a dialectical perspective based on Benson (1977) and develop concrete mechanisms in which various contradictions and tensions emerge in social systems. The dialectical perspective is a general view of social life that takes some parts from the Marxist analysis of social structure, however, it is not limited to the specific categories of that analysis. Seo and Creed (2002) argue that the definition put forward by Benson (1977) is especially useful for the analysis of institutional arguments. Benson (1977) argues that organizations can be understood as social arrangement on multiple levels that are constantly produced and reproduced. During this complex process, inevitably there will be mutually incompatible institutional arrangements. Over time this incompatibility in the organizations

creates a source of tension and conflict, something Seo and Creed (2002) later develop when describing sources of institutional contradictions.

2.2.1 Institutional contradictions

Institutional contradictions are by-products of the processes of institutional arrangements and four types of contradictions are defined. Seo and Creed (2002) argue that from a dialectical perspective the accumulation of these contradictions lead to organizational change, through the mediating mechanism of human praxis. In other words, the institutional contradictions provide the seeds for organizational change. Seo and Creed (2002) present four contradictions that can accumulate: inefficiency, nonadaptability, interinstitutional incompatibility and misaligned interests.

Firstly, organizations need both technical efficiency and legitimacy within their institutional environments to become successful. Legitimacy is needed to secure the resources necessary for the organization. Sometimes in the process of trying to gain legitimacy the technical efficiency might be compromised, which results in tensions and a source of conflict. Previous literature has approached this problem by investigating the notion of decoupling (Meyer and Rowan, 1977, as cited in Seo and Creed, 2002). With that mechanism an organization can gain legitimacy while still having the efficiency in the operations of the organization by separating formal structures from the activities. However, later research questions the efficiency of such constructs over time arguing that it will inevitably become suboptimal.

Secondly, the isomorphism, in the shape of decoupling of formal structures, discussed in the previous sections is an evidence of an adaptive move for survival. However, when such a move is made and the processes and schemas are in place they are hard to change, even though the change would make the organization more efficient. This resistance to change can be found both on an organizational level but also on an individual level where researchers in the field of cognitive psychology found evidence of people being reluctant to change despite the fact the change would be beneficial. Other reasons for the reluctance for change can be economic interdependence as economic resources can already be invested or "locked in" (Seo and Creed, 2002, p. 227). Although the process of institutionalization is a process that is adaptable in nature, once the structures are set, they become very hard to change both from a psychological and economical perspective.

Thirdly, whereas the other two sources of inconsistencies looked at the interrelations, this source is derived from the ties between the institution and the wider societal context. It is suggested that organizations often operate in pluralistic institutional environments and as a result, elements of these tend to be incorporated and embedded within the institution in the search for legitimacy and stability. Exposure to multiple logics is such an example (Greenwood and Suddaby, 2006). As many of these logics are contradictory the interconnectedness is a source of tension.

Lastly, the existing social structures are a reflection of the most powerful political contestant in the organization. From the dialectical perspective, institutional arrangements are a product of the political struggles among different actors. These actors all have divergent interests and asymmetric power. It is unlikely that the institutional arrangements satisfy all of the actors within the organization, even less for the less powerful. In short, Seo and Creed (2002) argue that the existing social arrangements are a result of the political struggles among many actors with different interest and unequal power. Those whose ideas and interest are not reflected in the current structure are regarded as potential change agents.

2.2.2 Praxis

It is important to note that none of these contradictions are predetermined to lead to change (Seo and Creed, 2002). They are only a seed that eventually could lead into a change process. When some contradictions grow stronger through accumulation they could lead to particular human praxis. However, it is important to note that every type of institutional contradiction does not need to exist in order for it to lead to a change. Human praxis is defined as "a particular type of collective human action" (Seo and Creed, 2002, p. 230) and is seen as the core mechanism that reconciles institutional embeddedness and transformational agency, the two incompatible aspects of the embedded agency paradox. This collective human action is situated in a given sociohistorical context and driven by the products of that context, namely social contradictions. Human praxis functions as the mediator between institutional contradictions and institutional change. Moreover, the concept of praxis involves two components; one is the critique of existing social structures and the second one is the active moment that consists of mobilization and collective action. The actors who are a part of the context are described as "partially autonomous" (Seo and Creed, 2002, p. 230). This means that under some circumstances actors within the organization act in an automatic, unreflective way whereas in other situations they act in a conscious way, trying to mobilize other

actors in a collective change. From the dialectical perspective actors are more likely to respond in a conscious way when the contradictions in which the actors are situated develop and deepen to affect the actors' social experience. Once actors within the institutional context have become change agents they need to mobilize both actors and resources to start the change. This mechanism is explained by "the social actor as an active exploiter of social contradictions" (Seo and Creed, 2002, p. 231). Institutional contradiction are not only viewed as a seed to organizational change but it can also provide change agents with alternative logics of action and psychological and physical resources in order to mobilize and bring about change.

Further, Seo and Creed (2002) expand on how different contradictions may link to different sorts of human praxis by suggesting four propositions of institutional change. Institutional contradictions can interact in certain ways that give rise to different parts in human praxis. Potential change agents can arise from the accumulations of misaligned interest and the change agents can further drive a shift in the consciousness of the current structures. This then leads to actor mobilization and collective action, which brings an institutional change. Praxis can be divided into two parts. Each category within can be caused by certain institutional contradictions. The first part is critique to existing structures. Potential change agents are described as actors with less power in the institutional context who are dissatisfied with the existing institutional arrangement. Their interests and ideas are not served by the current structure, and the stronger this dissatisfaction is, the higher the likelihood for them to emerge as potential change agents. Often these are less powerful participants in the institutional context. Reflective shift in consciousness can happen in two ways: either gradually, or through an institutional crisis depending on the level of nonadaptability in the organization. This praxis is defined as actors feeling a critical understanding of and disengagement from the past structure. The second part discusses the active parts of human praxis. The key in actor mobilization is to adopt a frame that is available in the broader context but sufficiently incompatible with the current institutional arrangements. Collective action is described as a political struggle over conflicting frames and logics are described as an important condition for the emergence of new frames.

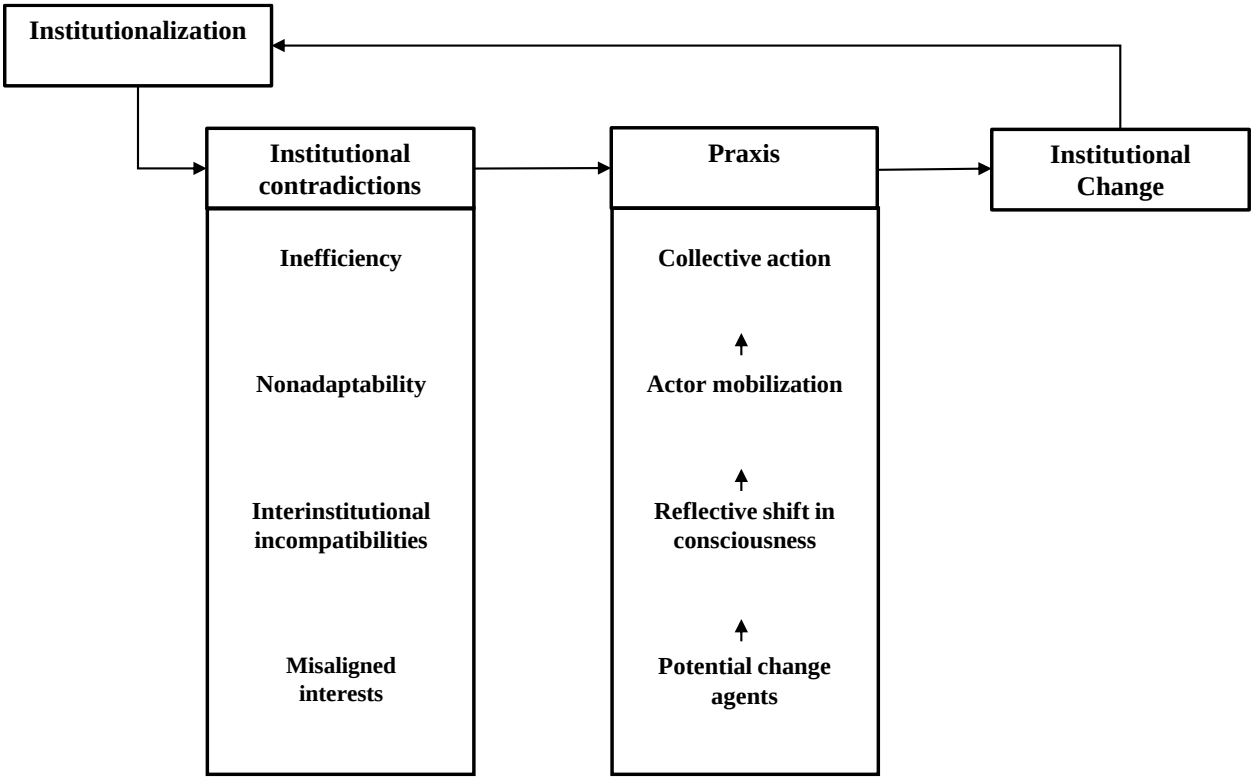

Figure 1. The Seo and Creed (2002) framework

2.3 Theoretical framework

Our review of current accounting research on MCSs in a multiple logics context, show that MCSs are designed and used in different ways in organizations that face competing institutional logics. These logics seem to play a significant role in how new MCSs are institutionalized and how MCSs develop in that context. Many studies examine the introduction of new MCSs induced by the government in public sector organizations, a field often described with inherent competing logics (see e.g. Hyvönen et al., 2009; Ezzamel et al., 2012; Rautiainen and Järvenpää, 2012; Järvinen, 2016). However, research in the field of accounting and multiple logics is less precise on how the MCS changes in the institutional context from inside the organization, i.e. endogenous change. This can be understood from an institutional perspective by institutional entrepreneurship, but from an accounting perspective, it is not evident what kind of role the MCS has in initiating and driving an endogenous change process. Therefore, we identify a gap in the accounting literature on the role of MCS in an organization facing multiple logics in driving a change from within.

We develop a theoretical framework that will be used to analyze our case study by integrating the domain theory of MCSs in a multiple logics context with a method theory on embedded agency by Seo and Creed (2002). Empirical data on MCS in an organization facing multiple logics will be investigated through the lens of institutional contradictions and praxis. This will help us determine the role of MCS and how it interacts with the emergence of institutional contradictions in this multi-institutional environment that eventually led to an endogenous change. Using this framework we are also able to gain an in-depth process based perspective on how an endogenous change is initiated and how change agents mobilize action and gain momentum. This framework allows us to look at how change can be driven internally and from that analyze what role the MCS plays and how the MCS impacts the institutional logics within the organization. By filling this gap, we will gain a better understanding of how actors within organizations use MCSs to shape the institutional context, which gives insight into how MCS can affect institutional logics in an organization and the potential to actively use MCS to shift institutional pressures.

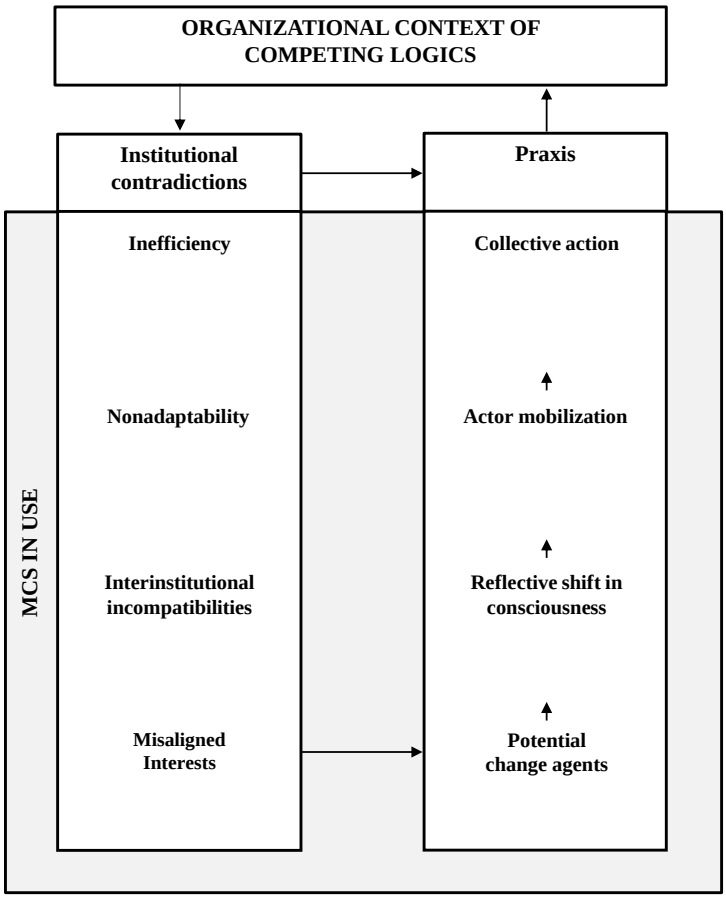

Figure 2. Adapted Seo and Creed (2002) theoretical framework applied in this study

3. Methodology

This section presents the research methodology used in this study. Firstly, we present the choice of qualitative research design, a retrospective longitudinal single-case study with an abductive research approach. Secondly, we present the selection of case organization and how data was collected through semi-structured interviews, documents and observations. Thirdly, we present how data was analyzed in parallel with the data collection process and the strategies used to reconstruct a timeline of events and actors involved. Finally, we discuss the research quality in terms of reliability and validity, which is the ability of other researchers to replicate the study and whether the intended results are achieved.

3.1 Research design

We have chosen a case study approach in accordance with suggested research methods in management accounting and control (Otley and Berry, 1994). Based on our review of accounting research on MCS in a multiple logics context, few studies have investigated how the MCS is used in an organization facing multiple logics to drive change from within. The research question of this study is open-ended in nature as it suits a nascent research area that has not been investigated to a large extent (Edmondson and McManus, 2007). A qualitative case study allows us to examine a contemporary event and deal with a full variety of evidence including interview, observations, artifacts and documents to answer questions of "how" and "why" (Yin, 2013). Moreover, it allows us to gain an in-depth understanding of the phenomena of MCS change in a complex setting. An exploratory study is deemed to fit this study as the understanding of how MCSs are used in an endogenous change process to handle competing logics is still in the early stages of theory development (Edmondson and McManus, 2007), in line with other studies within the same research field (see e.g Sharma et al., 2010; Hyvönen et al., 2012).

A single-case study is chosen because it allows us to understand the change process in our case organization in a more profound way, especially since it is a unique event (Yin, 2013), although it loses out on the strength of cross-case analyses and replicability that a multiple case study would offer (Eisenhardt 1989). Further, the choice of single-case study is motivated by the nature of our research question to understand the specific organizational dynamics throughout a change process in a longitudinal study, in which we observe conditions and processes change over time (Yin, 2013). A longitudinal study is also suggested to understand the complexity and cumulative nature

of organizational processes and how it impacts the organization (Burns and Scapens, 2000). We acknowledge that performing the longitudinal study in a retrospective way implies a limitation since we have not been present and followed the process while it happened. Rather we have conducted interviews with current and former employees and asked them to recall prior events. Inevitably, the time delay of collecting data retrospectively makes the data less reliable and subject to memory bias. Therefore, data has been collected from several sources to mitigate such errors. Moreover, by using data from several interviewees we hope to reduce the risk for subjectivity in the data collection.

The research approach was conducted in an abductive way, an iterative process of constantly going between theory and empirical findings and reframing the theoretical framework (Dubois and Gadde, 2002). As Edmondson and McManus (2007, p. 1173) describe it, conducting field research is "rarely a sanitized linear progression that starts with a literature review, moves on to the research question, data collection, and analysis, and ends seamlessly with publication". After conducting a literature review on current accounting research on MCS in a multiple logics context, we had several methods and frameworks in mind. We continued to read and review theory in parallel to the data collection process. However, it was not until we had collected the empirical data that we finalized the theoretical framework that was later used to analyze the data. This allowed us to discover important themes and issues to investigate further throughout the process and gain a better understanding of theory and empirics than through an inductive or deductive approach, which either generate new theories from data, or test existing theory through data (Dubois and Gadde, 2002).

3.2 Data collection

The selection of case organization was made on the basis of providing a good insight to an organizational setting of multiple logics and the MCS that was used in this organization to drive change from within. A private primary care center was chosen because of the recent privatization in the Swedish health care sector and hence we would expect the conflict in logics to be more outspoken, which makes it interesting to investigate how different organizations handle this tension and the effects of the tools used. Moreover, the size and scope of a primary care center is more suitable and manageable compared to a hospital or a hospital unit. Primary care centers in general have more autonomy regarding decisions around management and organization than some

clinics in a hospital. Also, the communication within a primary care center is more transparent, which makes it suitable for research.

Alpha, a primary care center that belongs to the privately-owned health care organization HealthCo, was chosen since we expect the competing logics to be more pronounced in such an organization, especially after the trend of privatizing previously state-owned public services in Sweden and the ongoing public debate of profit-driven companies in the welfare sector. Therefore, they operate in an environment in which they have to balance financial pressure with that of providing quality health care. Moreover, they had recently been through an internally-driven change that has been an important experience not only for Alpha but also for HealthCo. After an initial phone call and pilot interview with the Operational Manager, our preliminary beliefs of the MCS in use and previous change process was confirmed.

Since we carry out a retrospective study of a change process in Alpha that took place in 2014-2015, we facilitate a triangulation of the events by collecting data in three ways; interviews, documents and observations. Firstly, 21 semi-structured interviews were conducted with 19 current and former employees in the organization. The interviewees were chosen in collaboration with the current Operational Manager to cover employees from all professional groups; business controllers at the headquarters, doctors, nurses and medical secretaries. In order to cover events and perspectives from previous time periods, two former employees were contacted and interviewed. The interviews lasted on average 52 minutes and were conducted in a semi-structured way in order to collect as honest and correct responses as possible and at the same time steer the conversation into the areas of interest for this study. Interviews were conducted face-to-face between February and March 2017 in Stockholm, except for one that was conducted through a video call. To minimize the risk of misinterpretation, both authors were present during all interviews. One of the authors led the interview while the other author took an observant role by taking notes and intervening with follow up questions when appropriate. In accordance with the ethical considerations in management research suggested by Bryman and Bell (2007), all interviewees were asked for permission to record the interview and were assured beforehand of their confidentiality, especially with regards to the sensitivity of some events that had taken place in the case organization. Secondly, supporting documents were collected. These were internal documents about Alpha's financial performance, operating plan as well as guidelines and routines

for the medical care. External documents and sources were also used, such as annual reports and public databases for quality measures in health care. The documents complemented and supported many of the statements made during the interviews, which made us more confident in the statements made by the interviewees. Thirdly, direct observations were made during six visits to the primary care center as well as two visits to the headquarters. This was a valuable source to get a sense of the organizational culture, how the daily operations at the primary care center worked as well as observing notes written on the meeting room whiteboards.

	Interviewee Title	**Interview Length**	**Interview Date**
1	Operational Manager	85 minutes	February 16, 2017
2	Business Controller	116 minutes	February 20, 2017
3	Business Controller	51 minutes	February 20, 2017
4	Medical Secretary	59 minutes	February 21, 2017
5	Assistant Nurse	40 minutes	February 21, 2017
6	Nurse	56 minutes	February 24, 2017
7	Resident Doctor[1]	36 minutes	February 24, 2017
8	Doctor	40 minutes	February 24, 2017
9	Assistant Nurse	63 minutes	February 24, 2017
10	Intern Doctor[2]	45 minutes	March 1, 2017
11	Nurse	48 minutes	March 1, 2017
12	Doctor	60 minutes	March 1, 2017
13	District Nurse	60 minutes	March 1, 2017
14	Doctor	61 minutes	March 14, 2017
15	District Nurse	33 minutes	March 14, 2017
16	Resident Doctor	41 minutes	March 14, 2017
17	Operational Manager	50 minutes	March 21, 2017
18	Operational Manager	55 minutes	March 28, 2017
19	Medical Secretary	20 minutes	March 28, 2017
20	District Nurse	37 minutes	March 28, 2017
21	Business Controller	53 minutes	March 30, 2017

Table 1. List of conducted interviews

[1] Resident Doctor refers to person who has worked 2-7 years after completed medical degree

[2] Intern Doctor refers to person who has worked up to 2 years after completed medical degree

3.3 Data analysis

Following the abductive research approach chosen for this study, the data collection and data analysis process took place in parallel (Dubois and Gadde, 2002). After each interview, the data was discussed to capture our immediate impression and thoughts, especially non-verbal expressions and body language that were not captured on tape. Analyzing the data simultaneously with the data collection allowed us to make adjustments along the way, rather than waiting until all data is collected (Merriam, 2002). The findings were continuously discussed, reviewed and contrasted with theory to guide us in our theoretical development and adjustments for further data collection. Two follow-up interviews were conducted after going through the material from the first round of interviews, as we saw the need for more in-depth explanations of specific areas. All interviews were recorded and transcribed. Since interviews were conducted in Swedish for convenience, the quotes were later translated to English by the authors.

Since we carry out a retrospective study of a change process in Alpha that took place in 2014-2015, the process data we collect present some difficulties for analysis. As outlined by Langley (1999), process data are often composed of "stories about what happened and who did what when" and complex phenomena can be difficult to isolate, such as when the change in Alpha started and when it finished. Therefore, we first use a narrative strategy to construct the storyline of what has happened and who was involved (Langley, 1999). A systematic triangulation from the three data sources (semi-structured interviews, supporting documents and direct observations) were used to construct the series of events and the actors involved. Then, we employ a temporal bracketing strategy to construct a sequence of phases and divide the data into three time periods; before 2014, 2014-2015 and after 2015. The data was sorted in Excel by the two authors independently and then compared with each other to see if opinions differed. Two analytical techniques were then used. Firstly, pattern matching based on the empirics was performed to find common themes and trends (Yin, 2013). Secondly, we adopted the logic model approach to analyze the findings based on the elements of the theoretical framework. Since our theoretical framework is a theory of change that resembles what Yin (2013, p. 155) defines as a logic model with "a complex chain of occurrences or events over an extended period of time", we have matched empirically observed phenomena in the case organization to the theoretically predicted phenomena in Seo and Creed's (2002) framework. Findings from the data analysis process were continuously discussed in relation to

previous research, which enabled a theoretically founded analysis of findings and potential contributions.

3.4 Research quality

A single case-study poses difficulties for drawing scientific generalizations (Yin, 2013). In natural science studies, research quality can be established based on whether the outcome is representative of the general population and whether other researchers can replicate the study with the same results. In social science studies on the other hand, data is limited and should therefore be more concerned with analytical generalization. Therefore, Yin (2013) suggests a number of ways to establish research quality.

One aspect is construct validity, which refers to identifying appropriate measures for studying a certain phenomenon (Yin, 2013). This can be done by using multiple data sets to enable data triangulation, a process by which the same phenomenon is assessed with different methods to determine whether convergence across methods exists (Edmondson and McManus, 2007). We have attempted to use three sources of evidence; semi-structured interviews, supporting documents and direct observations, in order to cross-validate information and data. Furthermore, we attempt to provide a chain of evidence throughout this study to ensure that our conclusions can be derived from the data analysis, quotes, data collection and research question. (see Appendix 3 for interview guideline example)

Moreover, it is important to establish internal validity regarding the causal relationship (Yin, 2013). We have attempted to do this through the narrative strategy and temporal bracketing strategy for analyzing process data proposed by Langley (1999), as well as the analytical techniques of pattern matching as proposed by Yin (2013). Evidence from the interviews were cross-validated across interviewees, internal documents such as budgets and external reports such as annual reports and press releases, as well as direct observations on the field were used as data sources to establish a series of events and the actors involved in each step. We have also made use of our theoretical framework as a theory of change that resembles what Yin (2013, p. 155) defines as a logic model. External validity refers to defining the domain to which the findings can be generalized beyond the immediate results (Yin, 2013). This refers to the analytical, and not statistical, generalization made through case studies. This has been done through the research

design process by for instance formulating a research question that is analytically generalizable beyond the empirical setting of a health care organization. Finally, reliability refers to the extent to which the study can be repeated with the same results (Yin, 2013). With this in mind, we tried to minimize errors and biases through keeping a research journal and a case study database consisting of field notes, interview recordings and transcriptions, pictures from direct observations and other notes.

4. Empirics

This section presents the empirical findings of our case study. Firstly, we describe the context of this study by providing an overview of the Swedish health care sector. Secondly, we describe our case organization and the two institutional logics (medical and business logic) that are most pronounced in the organization. Thirdly, we present the empirical findings in accordance with the three time periods of the change processes in Alpha.

4.1 The Swedish health care sector

In Sweden, health care is publicly funded and each county is responsible for provision and funding of health care services by signing contracts with health care providers, such as hospitals and primary care centers. The primary care center is the patient's first point of contact when seeking care for common health symptoms. The primary care doctor is responsible for guiding the patient to the right level within the health system by referral to a specialist clinic, such as orthopedics, surgery or infection. Broadly speaking, the reimbursement model to primary care centers is a combination of three types of payment; performance-based reimbursement, capitation, and pay-for-performance. Performance-based reimbursement is paid according to the number of doctor visits or nurse visits completed, with a predetermined amount for each visit. Capitation is determined by the number of patients listed at the primary care center. Each citizen in Sweden usually have a primary care center where they are listed, often the closest one. Pay-for-performance is paid as a bonus or deducted as a penalty based on the goal-achievement on certain measures, such as waiting time. The two categories account for the majority of the remuneration to primary care centers, whereas pay-for-performance account for 1-5% of the total remuneration (Lindgren, 2014). Following the health reform in the Stockholm County in 2006, the remuneration model

became 100% performance-based remuneration. A new remuneration model was introduced in 2016, which is split in 40% performance-based and 60% capitation.

4.2 HealthCo and Alpha primary care center

HealthCo is a private health care organization that operates in the Swedish public health sector. Our focus is on one of its primary care units operating in Stockholm, hereby called Alpha. HealthCo group as a legal unit is the health care provider that signs health care contracts with the Stockholm City Council. The HealthCo headquarters has a centralized service center providing administrative services. HealthCo has a decentralized structure and a Business Controller is responsible for the primary care centers. The Business Controller is responsible for setting the yearly budget together with the Operational Manager at the primary care center, send monthly financial reports to the Management Team, approve large investments such as medical equipment and recruit Operational Managers and the Management Team. The role of the Business Controller is to support the Management Team at the primary care center to reach the minimum profitability requirement and keep a buffer, as well as fulfil the medical quality requirement. Apart from this, the Management Team at the primary care center operates with autonomy and make decisions on recruitment of employees, yearly business plans and strategies.

Alpha is a primary care center offering medical services in Stockholm. The employees are divided in professional groups of Doctors, Resident Doctors, Intern Doctors, District Nurses, Nurses, Assistant Nurses and Medical Secretaries. The Management Team consists of three to five Specialist Doctors, out of which one is the Operational Manager who acts as link to the headquarters and external partners. The Management Team's variable remuneration is directly linked to the profitability of the primary care center. Moreover, Alpha is organized in two subgroups; Nurses and Medical Secretaries. Each subgroup has a Coordinator who acts as the link to the Management Team and the Operational Manager. Each professional group; Doctors, Nurses and Medical Secretaries, is responsible for setting their schedules and allocating employees in scheduled time slots. Doctors have prescription rights of drugs and send referrals to specialist care. Nurses' tasks involves giving medical advice over the phone, phone booking system, renewing prescriptions and medical care attributable to the nursing profession. District Nurses are specialized nurses who are responsible for a geographic district or a patient group, such as diabetes

patients, and have limited prescription rights. Medical Secretaries' tasks involve administrative work such as working in the reception, dictating medical records and register bookings.

4.2.1 The business logic and medical logic at Alpha

We focus on the medical logic and the business logic as we deem these to be the most strongly expressed and enacted logics in Alpha, and therefore made relevant (McPherson and Saunders, 2013). These may not be the only logics guiding this organization, but we see them as the most important ones for the purpose of studying the role of MCS in driving the change process of Alpha and its effect on the enactment of logics. The business logic in Alpha is expressed through the limited economic resources and the need of making financial profit. Since Alpha belongs to HealthCo, a privately owned entity in which some employees are shareholders, there are certain financial incentives for good financial performance. The business logic is mainly driving the Business Controller at the headquarters who has a commercial interest in Alpha, but limited knowledge and interest in the medical service quality. The Management Team in Alpha is partly driven by the business logic since their variable compensation is tied to the financial performance of the primary care center. However, since the Management Team consists of practicing doctors at Alpha, the team is also driven by the medical logic. The medical logic is expressed through the profession itself. First and foremost, each patient must receive the appropriate medical care. Beyond that, each patient should be given the kind of medical service that is respectful, which makes the patient feel satisfied. All medical professionals working at Alpha – Doctors, Nurses and Medical Secretaries – are driven by the medical logic of serving patients.

Inherently, there is a tension between these logics especially at a primary care center as one of its roles is to provide a first screening of the patients to determine which need to be referred to secondary care and which do not. The nature of the reimbursement model gives financial incentives from a business perspective to take as many patients as possible in the shortest time possible. In contrast, the medical logic perspective promotes that each patient needs different amounts of time depending on their health condition. Therefore, these logics are competing as adhering fully to either of them poses a challenge for the Operational Manager in setting the organizational strategy and decision-making. One situation could be the system of booking, which according to the business logic each doctor should have as many bookings as possible and the time with each patient as short as possible. However, from a medical logic point of view that may not

be optimal since there will not be enough time for each patient to give them the level of medical and service they want.

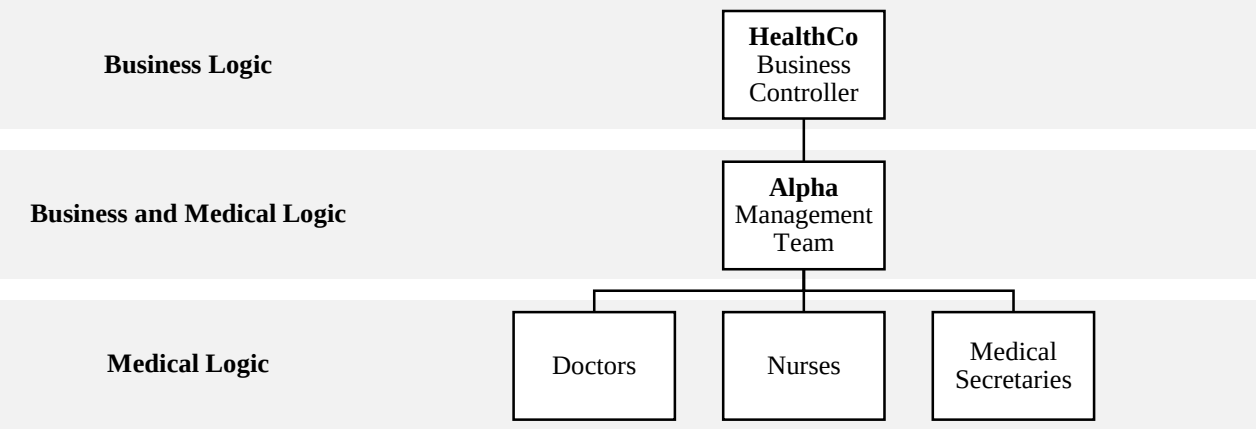

Figure 3. Institutional logics dominating each professional group of the case organization

4.3 Overview of events at Alpha

Alpha was acquired by HealthCo in 2000, after operating as a public primary care center for many years. After the acquisition Alpha slowly became more business focused by increasing the productivity focus, for example number of patients booked per doctor per day. At the same time increasingly less focus was put on service, medical and employee environment quality. During Period 1 the financial performance of Alpha was outstanding and one of the best in HealthCo's portfolio. However, employee turnover slowly began to increase after 2010, first among doctors but later also among other employees. Eventually, this lead to a change of MCS and processes during 2014, after employees reacted to the situation. Following that the new Management Team made investments in new infrastructure systems such as a new electronic health record (EHR) system. Employees were encouraged to actively work on deviations, Excel check-lists were introduced and routines in the Quality Management System were revised and rewritten. In addition, regular meetings were set up with employees at all levels, as a result of the focus on a transparent and open working environment. The most apparent difference was the shift of focus to quality in terms of service, medical and working environment, which have improved. The financial performance on the other hand has declined, as 2014 was the first year in a long time Alpha made a loss and the performance afterwards has not been on the same level as before.

MCS in use	Period 1: Before 2014	Period 2: 2014-2015	Period 3: After 2015
Budget and resource allocation	Tight doctor scheduling, underinvested	New investments and new hires	Long-term investments
Financial reports	High profitability	Loss-making	Financially stable
Deviation reports	Reported to the Intranet, not evaluated	New working group for evaluating deviations	Actively used for improvement
EHR system	Outdated	Change to new system	New system in use
MedRave	Not used	Introduced	Used for evaluation of performance
Quality Management System	Not updated in time	Revised and rewritten, environmental and quality certified	Regularly updated in working groups
Whistleblower function	Used by Nurses	Not used	Not used
Patient listing	Decreasing	All-time low	Increasing
Doctor continuity	Low, employees resign, many short-term rental doctors	Hire new doctors, some short-term rental doctors	High, no short-term rental doctors
National Diabetes Register	Full registration, values below-average	Full registration, values improve	Full registration, best values in Stockholm County
Meetings	No meetings	Regular meetings with employees	Regular meetings with employees

Table 2. Summary of MCS used in Alpha during each time period

4.4 Period 1: Before 2014

The main tool used for management control by the Business Controller at the headquarters was Alpha's yearly budget and the monthly financial report. In Period 1, Alpha was very profitable in comparison to other primary care centers at HealthCo, which earned them a good reputation. The Operational Manager was very good at managing the financials, finding business opportunities and negotiating the rental contracts. Another tool that gave an indication of how the primary center performed was the National Patient Survey conducted once a year by government authorities to evaluate how the health care sector in is performing. The results for each primary care center is publicly available (see Appendix 1 for the National Patient Survey results for Alpha). Since the

financial reports and the National Patient Survey indicated that Alpha was performing well, the Business Controller focused on other primary care centers that were not performing that well.

> *"We looked at the financial numbers – fantastic. It went like the train[1] ...I mean, the County introduced different things where one could start a project or something and she [the Operational Manager] was like "yeah, we'll do that" and then she went on and did that and received money for it" (Business Controller)*

The Business Controller had less insight into the operational work at Alpha. Since the EHR system is used intensely by everyone at a primary care center to list patients, register patient journals and other types of documentation, it plays a crucial role in the primary care center's operational efficiency. Doctors indicate that they spend about 20% of their working time on administration, while medical secretaries spend almost all of their time working in the EHR system. The outdated EHR system required a lot of manual work and medical secretaries spent an unreasonable amount of time scanning documents and correcting wrong-bookings in the system. Although Alpha performed well in profitability terms, employees expressed that it was in great need of investments and a modern EHR system.

> *"Because partly, we couldn't keep track on the finances because this old [EHR] system was the system that sent files of every patient we had received, but sometimes it sent files that weren't any good files because they were done manually. And no one knew the system very well, so we had a lot of patients that we might have received but not charged." (Operational Manager)*

Employees are required to submit operational and medical deviation reports to the Intranet[2] as part of the risk management routines at HealthCo. A deviation could be, for instance, a blood test result that is not ready in time, a patient referral to a specialist clinic that does not go through or an interpreter who was booked for a patient does not show up. The reported deviations are visible as a pending case on the Intranet for all employees at Alpha and the Business Controller. The

[1] Translation of Swedish expression of something that runs smoothly.

[2] HealthCo's private network accessible to employees.

intention is to follow up on why the deviation has occurred and seek ways to improve the processes, especially if the same deviation is reported multiple times. The Business Controller expressed that this is a process that everyone should be involved in. However, in practice, they were not followed up at Alpha. Employees recount that the Operational Manager stacked the reported deviations into a binder and left them there.

> *"I met the old [Operational] manager once, deviations were given to her, and she had this binder and they [deviation reports] were put inside the binder… So she said to me 'I'll just put them in here then, and then they will remain there, haha'. (Doctor)*

The National Diabetes Register is a public database with indicators of diabetes care, for example the percentage of diabetes patients at a given primary care center that has a long-term blood sugar values above 70 (see Appendix 2 for National Diabetes Register result for Alpha). A diabetes patient has to be registered each year by the primary care center in order to be part of the database. In Period 1, the number of registered diabetes patients was a basis for reimbursement to primary care centers in Stockholm City Council. Despite showing full registration of diabetes patients in Alpha, it did not reflect the medical service quality in terms of diabetes care. A Nurse recounts how the Operational Manager put a lot of focus on the registration of the National Diabetes Register before each year-end, because that report was the basis for reimbursement.

> *"What we always been very…much focused on, is on the NDR [National Diabetes Register] reporting at the end of each year, since it's reimbursement-based. How well we performed, if we managed to reach everything regarding foot status and everything, every parameter I mentioned… That's how it was, as in every other place really. Just because it gave us so much reimbursement." (District Nurse)*

The number of listed patients is a performance measure used by the Business Controller, Management Team and employees at Alpha to know how they perform. Since patients are free to choose which primary care center to register, or "list" themselves at, an increasing number of listed patients indicates growth. The number of listed patients is also a basis for reimbursement (see Section 4.1 about the reimbursement model for Stockholm City Council). On the other hand, a

decreasing number of listed patients indicates that dissatisfied patients delisting themselves. Therefore, this measure gives an indication of perceived medical service and quality of medical care. This was apparent when patients started to delist themselves from Alpha at the end of Period 1, after a long period of stable listing numbers. When patients delist themselves and seek primary care somewhere else, employees perceive that they are not doing a good job and that patients are dissatisfied. An employee recounts how the decline in listed patients reflects the reputation of Alpha among the local residents.

> *"The population here has known that it [Alpha] hasn't worked well, so they'll just go somewhere else…compared to how good it is now I guess it has been more or less bad for quite some time I think … but I think it was a process over the course of many years, gradually becoming worse and a downward trend."*
> *(Resident Doctor)*

The budget at Alpha is set once a year by the Operational Manager together with the Business Controller. The majority of Alpha's revenue is based on reimbursement from Stockholm City Council and the majority of Alpha's cost is employee wages. The Operational Manager decides how many to employ each year and their wage level. In Period 1, the Management Team focused on increasing revenue and cutting down on fixed costs and investments.

> *"The previous Management Team only focused on increasing their wallets – to make them grow as much as possible … They only focused on quantity and not quality. It was 'as many patients in the shortest time possible' and…revenues were the most important and I didn't want to work like that in the long run because I felt like it took out on the quality of the…on the treatment." (Doctor)*

To increase revenue, doctor scheduling was used as a tool for resource allocation at Alpha. The County Council reimbursement model that was introduced in 2006 was designed so that primary care centers were mainly paid by the number of doctor visits, this gave incentives to focus on production of health care services in terms of quantity. In Period 1, the Management Team actively used the scheduling of doctors to allocate as many doctor slots as possible. Even the standard 15-minute slot per patient was adjusted to 10-minute slot per patient to receive *"as many patients in the shortest time possible"* (Doctor). A Doctor recount how the daily schedule was filled with

more patient bookings than what was manageable, that they felt stressed and pressured by the tight time schedule, and did not have enough time for administrative work that all the patients generated:

> *"Our schedules were booked quite tightly. It was like, you'll receive patients here and here, this and this many and at 8 a.m. you will start, like, 'bam!' "*
> *(Doctor)*

To cut costs at Alpha, the strategy was to under-invest, negotiate the rental contract and be understaffed with full-time doctors. Apart from Resident Doctors, short-term rental doctors were hired to cover up for the need. Apart from the direct cost of employing a short-term rental doctor, which could be 1.5 times a regular full-time doctor, they tend to bring other indirect costs. Since they could stay for as little as one week, patients might see different doctors for the follow-up visit and doctor continuity was low. Patients' perception of good service and quality is sensitive to doctor continuity, especially the multi-sick patients who need to make regular visits and value the continuity and personal relationship building with a doctor. Employees perceive low doctor continuity as a sign of a malfunctioning primary care center.

> *"The medical quality was very low. It sounds horrible to say so but it was really like that. I mean, it's a result of low doctor continuity, the EHR system is substandard and no one works systematically with quality follow-up, medical quality follow-up. Then things turn bad. [There] were no routines for monitoring test results for instance, it's really one of those 'classics' within primary care … There was really a lot of medical deficiencies like that."*
> *(Doctor)*

The Operational Manager's exercise of power was evident when she was challenged or criticized, such that employees were afraid of raising their voices. The Operational Manager had a top-down management style, which was reflected in the MCS, as employees had little ground for questioning her decisions. An employee describes how this was reflected in the daily work as the Operational Manager wanted to have control of everything and even checked how employees wrote the notes in the medical journals. Another employee expresses how the Operational Manager used her power to withhold the prevailing structure;

"I think that it was her as a manager who slowly…manipulated so that everything became how she wanted it to be, and she thought that she could get away with it…she thought that she could continue forever and that she managed to, there were a lot of doctors, mainly, who had ehm…observed this and brought it up with HealthCo … and then she was so powerful that it ended up with them quitting and running away, because you couldn't stand working with such a person. So they rather fled than stayed and fought. And that's what she was counting on, and she only hired people she knew she could control to 100%." (Nurse)

Employees recount how transparency and involvement was lacking and that there was no room for questioning the strategy.

"Didn't feel involved in decisions or what happened at the work place … There were no meetings, there was nothing we did together." (Doctor)

The HealthCo Quality Management System is used for managing the quality work at the primary care center. The environmental coordinator and quality assurance department at HealthCo issues a template for the health care units, which they have to update at least once a year with the routines of the primary care center. It covers routines in areas such as patients, care and treatment, hygiene protection, technology and equipment, organization and responsibility, work environment, environment and safety. All employees at Alpha have access to the Quality Management System through the Intranet and can use it if they want to look up the routine at Alpha for handling an accidental needle stick for instance. If a routine has not been updated for 1.5-2 year, the green button turns yellow. A red button indicates that the routine has never been updated. In Period 1, the Business Controller and the quality assurance department at HealthCo became aware of that Alpha did not work with their routines properly and had not updated their routines within the time limit, this was against their medical routine requirements. The Business Controller was warned that something was wrong.

"The Quality Department and I went there [to Alpha] and took the opportunity to… because then you sit in small groups and work, the employees, and work on specific parts of this Quality Management System. Then we, my colleagues

and I, could go in to the different rooms and ask about the situation at the workplace. And then everything was revealed." (Business Controller)

Employees expressed dissatisfaction of the lack of structure and routine in Alpha and the heavy workload. Some employees, mainly doctors, responded by resigning and so did medical secretaries. The problem grew as resignations led to understaffing and increased workload for the employees who stayed. Those who chose to stay at Alpha did so for personal reasons such as workplace was close to home or because their sense of loyalty towards the patients because of *"a responsibility towards their neighbors"* (Assistant Nurse). One Doctor who resigned contacted the Business Controller to inform about the situation at Alpha. Another employee who usually did not have any contact with the Business Controller also reached out to her in the end of 2013 to recount the situation.

"There were employees who resigned, there were some who were very dissatisfied, overloaded, it was a disaster here. I could see that something was going on here." (Doctor)

The Business Controller received hints from several employees about Alpha not functioning well, employees resigning and patients delisting. Therefore, employees were advised to take action through the Whistleblower function on the Intranet to write down concrete examples of what had happened and send it through the internal system directly to the headquarters. After a couple of days the headquarters had received several whistleblower messages with enough evidence to take action and dismiss the Operational Manager.

"And I know that HealthCo pushed to change the processes here [in Alpha], but it was a very powerful manager here at the time and she managed to resist until we 'blew the whistle', us nurses." (Nurse)

4.5 Period 2: 2014-2015

On the basis of the Whistleblower system and the information that reached the Business Controller, the Operational Manager was dismissed in March 2014 and replaced with a new Operational Manager, a former doctor at Alpha. Together the organization came to the conclusion that the new MCS in Alpha should be built on a three-part strategy. The change strategy consisted of investing

in a new EHR system, increasing doctor continuity and working actively with the Quality Management System, deviation reports and introducing MedRave. After reaching an all-time low in September 2014, patient listing started to increase again.

One of the first thing the new Operational Manager did was to replace the outdated EHR system with a new one. The new and modern EHR system allowed Alpha to work more efficiently in many ways. For example, it was the same EHR system that other primary care centers and the main regional hospital was using, which allowed Alpha employees to access patient journals from other health units. Also, it had a waiting list system which facilitated automated call for patients. It was possible to send automated text message reminders for booked visits. District Nurses could keep a database of the diabetes patients and schedule automated calls for regular visits. It also made it easier for the District Nurses to follow up on their patients and the overall performance according to the national guidelines of blood sugar and other values.

> *"Now we have the possibility to have a…structured calling procedure. We call our patients through [the new EHR system], twice a year, once to a nurse and once to a doctor … Since we got the new EHR system, and also because we thought that 'now we could really confront this and develop a more structured way of working' so we got a really good structure on the entire diabetes care. Because it turns out like that when the patient comes to us, that's then we notice things that's not working in the care and so on." (District Nurse)*

MedRave is a digital tool used for performance measurement at Alpha. It is linked to the EHR system and pulls out statistics and data for the user. It was already in place with the old EHR system but was not used actively and regularly until the new EHR system was in place. It can provide information such as what kind of laboratory tests are ordered the most, the prescription trend for a specific drug and so on. The Operational Manager describes MedRave as part of their systematic work with quality to review what they are doing and follow up on changes. The information pulled out by MedRave every third month varies according to the area of focus and improvement as the Operational Manager tries to work through the medical processes systematically. The information is used by the Operational Manager to benchmark their performance with other primary care centers and find in which aspects they are performing worse than others and why that is the case. MedRave is regularly used to follow up on the diabetes care

and see the long-term trends in patients' health outcomes. The District Nurses could also use the new EHR system and the MedRave reports to follow up on patients' blood sugar trends. They could highlight specific parameters to focus on and actively work on. For example, patients that were performing below the national guideline of long-term blood sugar value could get more frequent calls for visits. (see Appendix 2 for National Diabetes Register results for Alpha).

> *"The benefit of MedRave is that we can see it [the values] black on white, how does it look today? How did it look one year ago? And how does it look…where do we want to be? Where are our greatest weaknesses and how should we fix them?" (District Nurse)*

To turn around the doctor continuity, a key measure for how the primary care center performed in terms of quality, the Operational Manager put the focus on hiring new doctors. Hiring full-time specialist doctors are expensive since they have the highest wage among the professional groups. But the Operational Manager sees the "cost of resignation" in a different way than before, not only in terms of monetary value but also in terms of lost time.

> *"That's the absolute worst thing for us, when someone quits. That's the worst. The primary care structure and the recruiting situation right now is such that there's nothing as costly as when a key person quits. Because it's hopeless to recruit. We lose so much momentum then. That's been one of our obsessions. Those who start working here must stay." (Operational Manager)*

Since the Quality Management System had not been properly managed before, the Operational Manager went through all routines at Alpha and rewrote them one by one with the help of the Coordinators. New working groups were established for each subarea of the Quality Management System. The routines for deviation reports were also changed as employees in Alpha started to work with them actively like other HealthCo primary care centers. A working group for deviation reports was established, consisting of the Operational Manager and one representative from each professional group. In the beginning of Period 2, the working group met once a week to go through the pending cases of deviation reports on the Intranet to discuss why it has gone wrong and how they can resolve it. The group put special focus on recurrent deviations, which they communicated at the staff meetings.

"Then you go through everything and make some adjustments…if it's a lot of recurrent deviations, then we'll raise that on the staff meeting. Because then you need to do something about it. Then when you are finished, it goes under 'finished cases' [on the Intranet], then everything is in there."
(Assistant Nurse)

Transparency was increased through establishing regular meetings as scheduled activities at Alpha. The meetings were meant for talking and discussing. For example, Doctors had lunch meetings on Tuesdays and all employees at Alpha participated in staff meetings once a month. This enhanced employees' understanding of what it meant to run the business and what affected their financial results. For example, a patient visit that had not been correctly registered in the EHR system meant that someone else had to spend time correcting those errors. Other tools that were actively used for transparency at Alpha were whiteboards. They were practical and visible tools for visualizing goals, progress and performance. The Operational Manager had a whiteboard in his office where he structured goals, strategies and the staffing situation, and used it to explain the current situation to employees and where they were heading. Another whiteboard hung in the corridor outside the lunch room and presented monthly statistics of the key performance measure at Alpha, number of listed patients, to show the successful growth in listed patients. An employee explains what it means to have improved insight into the organization and decisions;

"It's quite obvious what the right directions is, she [Operational Manager] presents it…but explains why a certain thing is important and how we will reach it [the goal]. No, but she often presents the entire background, maybe political decisions and maybe some issues with the health contract. So that, she might explain 'now a new target is introduced that we have to fulfill and I think that we should do this and that', she kind of establishes why we should do certain things given, well, the existing conditions." (Nurse)

Conference days were organized once a year for all employees at Alpha to set clear vision for the primary care center together and to offer a platform for expressing ideas and thoughts for improvement.

"Then we'll gather the whole group and have a little brainstorming about how we want this primary care center to be and what we should do to make it even better, in order to achieve better quality and then everyone can write what they think would be good. Then we'll collect that and pick out stuff that can be done quickly, or discuss "how should we change this" and then we follow up as well and we have seen that most of the stuff have actually been implemented." (Assistant Nurse)

Investing in a new EHR system and hiring full-time doctors resulted in increased costs for Alpha in 2014. For the first time in many years, Alpha made a loss that year.

"2014 was a tough year and financially, it wasn't a good year … I tried to keep track of the financials, but invest very much anyway, I knew that it wasn't going to be a profitable year and that we would make a loss at the end of the year." (Operational Manager)

4.6 Period 3: After 2015

In Period 3, Alpha was a financially stable primary care center with an increasing number of listed patients. Doctor continuity was high and employee turnover was low. Nearly all of the 20 employees who were hired during Period 2 and Period 3 stayed at Alpha. They did not need to hire short-term rental doctors anymore to handle the workload. The Operational Manager recounts how they did not strive for being the most efficient, productive or profitable primary care center in HealthCo.

"It's a matter of daring to invest, as I said, so they [the investments] keep running, that the facilities are nice, and then everything else will be on track; then you get satisfied employees and satisfied patients, satisfied patients talk to their friends and then the patients start to list themselves [here at Alpha]" (Operational Manager)

The Operational Manager showed greater interest in using new EHR system and the MedRave reports to follow up on Alpha's performance, for example diabetes patients' blood sugar trends. This new structured way of working and being able to keep track of values and statistics resulted

in that Alpha was among the best performing diabetes care centers in Period 3 (see Appendix 2 for National Diabetes Register results for Alpha). Medical quality was prioritized regardless if that meant engaging in activities that did not generate revenue. An example is the diabetes care.

> *"In 2015 [the diabetes care] was still [reimbursement-based]. Which implied that we got reimbursed, roughly, for every patient that we checked certain parameters on. Now we don't get that [reimbursement], but we have chosen to have a good diabetes care anyway. It can still change, so, ehm, it's obvious that it's important for us from a reimbursement-based perspective to be like, that all patients have their feet checked. That's also a quality indicator when it comes to diabetes care with regards to feet – all patients should have that, you should have eye screening, eye measurement, photographs – parameters like that, we have total control on that, we have almost 99-100%, really good."*
> *(District Nurse)*

The working group for deviation reports met once a month in Period 3 to go through the pending cases of deviation reports on the Intranet to discuss why it has gone wrong and how they can resolve it. One employee describes how the new routines of working with quality and deviations fostered a culture in which employees are not afraid to address things that are bad or have gone wrong, to the extent that employees can even write deviation reports regarding themselves.

> *"When you've come as far as to write deviation reports on yourself, that's when you've reached the real quality work" (District Nurse)*

Transparency was increased to employees by sharing information through regular meetings and visible whiteboards, as well as involving employees through conferences and working groups and hear their opinions on the organization's strategy and operations. On a day-to-day basis, ideas for improvement were encouraged through a whiteboard in the corridor outside the meeting room at Alpha. It has three columns; new ideas, ideas that have been initiated and ideas that are finished. Anyone can stick a post-it note with an idea, big or small, and then someone else can pick it up and follow it through. Also, employees started to work in project groups with representatives from different professional groups for a new blood pressure reception.

"There we have a project group that consists of four nurses and two doctors who develop the routines for this and periodically report and also bring out baseline numbers on 'this is how it looks like right now'. And then we follow this project for a couple of years to see how it goes, how much it improves."
(Doctor)

5. Analysis

This section provides an analysis of the findings from the empirical data to answer the research question of how MCS used in an organization facing multiple logics to drive change from within. The analysis is divided into three parts. The first part provides a brief analysis of the empirical findings according to our theoretical framework. The second and the third part explore our two main contributions to the accounting research on MCS in a multiple logics context. Firstly, MCS can mobilize power and resources to initiate change. Secondly, MCS can act as a vehicle to transfer power during change. In each part, we discuss and analyze the relevant findings of the theoretical framework and its implications.

5.1 Analysis of empirical findings

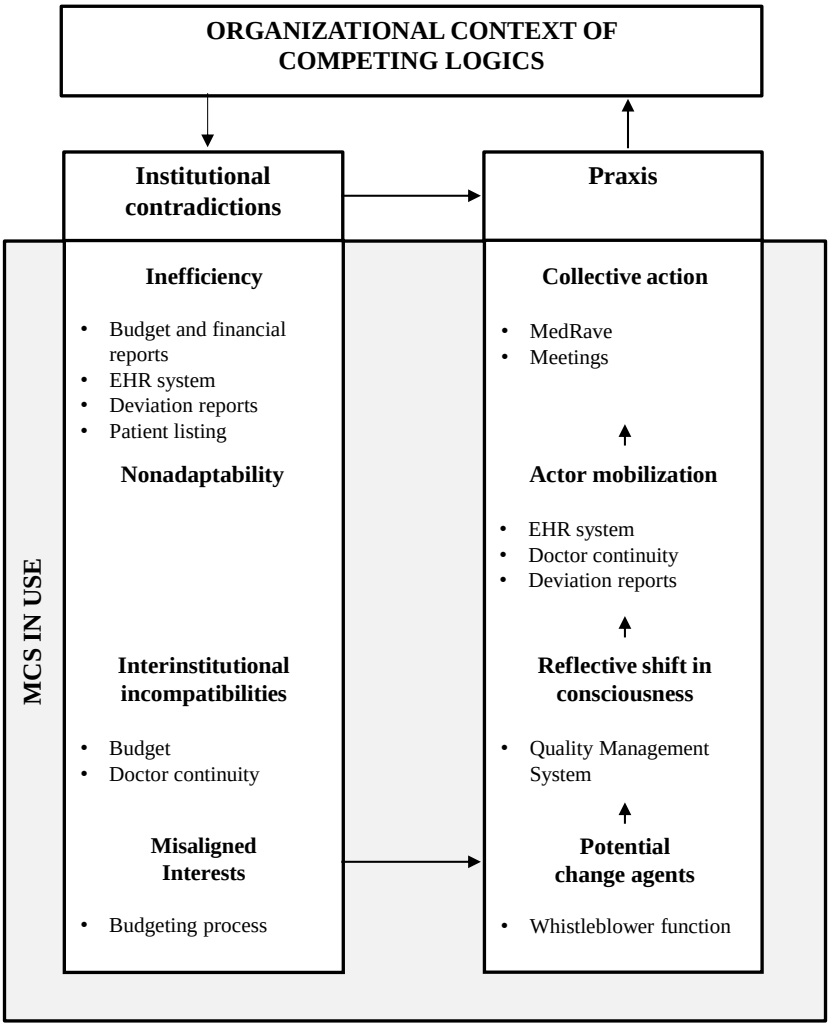

Figure 4. Empirical findings of theoretical framework [3]

5.1.1 Institutional contradictions

Inefficiency

In Period 1, Alpha showed very good profitability, being one of the top primary care centers within HealthCo. Through their performance they gained legitimacy for their processes by the headquarters. However, this legitimacy came at the expense of technical inefficiency since Alpha was operating with an outdated EHR system, which for example required a lot of manual work.

[3] Since Seo and Creed (2002, p. 226) "are not suggesting that all institutions always and immediately produce all four types of contradictions", the Nonadaptability contradiction was not found to be relevant in our case study.

Technical inefficiency was also found in the decoupling of the registration of the National Diabetes Register and the deviation reports, since the registration did not have any practical significance in improving processes in the organization and was merely done as a box ticking exercise. The combined effect of these inefficiencies had a negative effect on Alpha led to both employee dissatisfaction and patient delisting as a result of declining service quality. This further fueled the accumulation of misaligned interest between employees and the practices that was embedded into the MCS processes. Eventually, this led to some employees resigning and others to become change agents due to their dissatisfaction with the prevailing situation.

Interinstitutional incompatibilities

There was an outspoken conflict between the business logic and the medical logic at Alpha, since conforming to an institutional arrangements based on the profitability-focus caused conflicts and inconsistencies with the institutional arrangements preferred by the employees who were driven by the medical logic. This was observed in the resource allocation of the budget and in the doctor continuity measure. The focus on maximizing revenues and cutting costs meant that medical quality was down-prioritized, which was reflected in an important measure, doctor continuity. Employees saw low doctor continuity as a sign of a malfunctioning primary care center, which led to growing tensions within Alpha.

Misaligned interests

There was a misalignment of interest since the employees' interests and professional values were not met by the profit-maximizing strategy at Alpha. The configuration of the MCS concentrated power to the Management Team and power was mainly exercised by the Operational Manager, which was reflected in the budgeting process. The resource allocation strategy and profitability focus of Alpha’s budget was not in line with employees’ interests since they were driven by the professional values of serving patients and providing the best care to those who needed it the most no matter how much revenue it generated.

5.1.2 Praxis

Potential change agents

The accumulation of institutional contradictions and especially the misaligned interest led to the emergence of change agents when employees used the Whistleblower function in the internal control system to dismiss the Operational Manager and initiate the change process. Employees expressed dissatisfaction of the lack of structure and routine in Alpha, because it could not fulfil their interest of providing the best care for patients. Some employees responded by resigning, mainly doctors, but also medical secretaries. Not only were doctors dissatisfied with the workload, so were other employees whose interests and values were not embedded in the MCS of the organization. The measure of doctor continuity was not in focus in Period 1, evidenced by the fact that the Operational Manager did not express worry over resignations and even suggested to one employee who felt long-term stressed by the high workload to take leave.

Reflective shift in consciousness

A gradual reshaping of consciousness from within Alpha was seen when employees slowly started to question the existing practice and how the organization operated. This was especially evident when the Business Controller became aware of the Quality Management System which had not been updated in time according to HealthCo policies.

Actor mobilization

On the basis of the Whistleblower system and the information that reached the Business Controller, the Operational Manager was dismissed in March 2014 and replaced with a new Operational Manager. He mobilized actors by engaging them interactively in the use of a new EHR system, working actively with the deviation reports and increasing doctor continuity. The new EHR system and the new use of MedRave implied major improvements, which was seen in the diabetes care.

Collective action

Collective action for change was gathered by an organization-wide culture of continuous improvements using MedRave interactively and evaluating new initiatives. Transparency was increased to employees by sharing information through regular meetings and visible whiteboards,

as well as involving employees through conferences and working groups and hear their opinions on the organization's strategy and operations.

We find evidence that the three institutional contradictions; inefficiency, interinstitutional incompatibilities and misaligned interests, led to the emergence of change agents that collectively initiated and executed a MCS change in Alpha, thus resulting in a rebalancing of the business and medical logic.

5.2 The MCS mobilizes power and resources to initiate a MCS change

By investigating the role of the MCS in the accumulation of institutional contradictions in Alpha and how it transformed employees into change agents, we found that the internal controls of their MCS had the role of mobilizing power and resources to initiate a change. The change agents who started off with less power, mainly Nurses, could mobilize power and support from the headquarters through the Whistleblower function, and initiate the MCS change process. Previous accounting research that investigates change processes has claimed that institutional entrepreneurs must be able to operate on different levels in the organization at the same time, since they must gain support from actors on the field level as well as recognize other important audiences (Hyvönen et al., 2012). This was found in Alpha as the employees had to mobilize support through common dissatisfaction with the use of performance measures on the field level, but also gain support from other audiences such as the Business Controllers and the headquarters through the MCS. However, the change agents in previous research had power in the form of legitimacy and resources (Sharma et al., 2010; Hyvönen et al., 2012). Our case, on the contrary, demonstrates that change can be initiated by institutional entrepreneurs with very little power to start with.

5.2.1 Institutional contradictions: the seeds of an endogenous source of MCS change

The accumulation of institutional contradictions in Alpha was the seed for change within the organization by creating a widespread misalignment of interests between the Management Team and the employees. Although these institutional contradictions have been separated for analytical purposes, it is important to note that they are interdependent and develop in parallel (Seo and Creed, 2002). Firstly, Alpha showed excellent financial performance in budget and financial reports, which gave them legitimacy from the Business Controller at the headquarters, despite operating with an outdated and inefficient EHR system. Decoupling between what was formally

registered and what was done in practice was evident in the deviation reports and the formal registration in the National Diabetes Register, which did not have any practical significance for the actual quality or outcome of diabetes care. Secondly, there was a clear conflict between the business and medical logic in Alpha. The resource allocation in the budget was set in a way that it focused on profitability and cost-cutting. An example of this was the scheduling of doctors who were expected to receive as many patients in the shortest time possible, instead of focusing on giving each patient the amount of time to perform a good examination in terms of service and medical quality. This was incompatible with professionally-driven values of providing care to the patients who need it most. This led to low doctor continuity as employees resigned. Factors such as a production-based reimbursement model for primary care centers in Stockholm City Council and but most importantly the HealthCo policy of tying the Management Team's variable compensation to Alpha's profitability facilitated the pursuit of fully adhering to the business logic. Thirdly, the misalignment of interest between the top management and employees was not sustainable in the long-run, since the top management had their goals and aims reflected in the existing MCS structure whereas the employee's interests and professional values were not reflected to the same extent. This was upheld through the power structure, especially the budgeting process, which concentrated power to the Management Team where power was mainly exercised by the Operational Manager.

5.2.2 Praxis: Nurses use the Whistleblower function to initiate a MCS change

The institutional contradictions in themselves do not automatically translate to change without the conscious action of change agents, but they did plant the seeds for change within Alpha. The accumulation of institutional contradictions transformed employees, mainly the Nurses, into change agents who initiated the change process with the help of the Whistleblower function. We extend previous research on change agents in an organization initiating change from within (see e.g. Hyvönen et al., 2012) by showing how change can be initiated by institutional entrepreneurs with very little power to start with. We argue that the Whistleblower function, a feedback system through which an employee could send feedback to the business controllers and the headquarters, played a major role for the change agents within the organization to mobilize power. As that function was a built into their internal control system we argue that the MCS at the beginning of an endogenous change driven by less powerful change agents acts as a mobilization instrument,

from which the change agents can mobilize more power and resources necessary to initiate a MCS change. This happened in two steps. Firstly, the accumulative effects of contradictions and especially the misaligned interest between the Management Team in power and employees driven by professional values led to employees resigning. Secondly, employees who stayed in Alpha used the Whistleblower function to alert the headquarters. Thus, they gained support and help from the headquarters to dismiss and replace the Operational Manager with a former doctor at Alpha. This initiated the change process that led to a reconfiguration of the MCS in Alpha. The change agents were initially the employees whose interests were not met by the existing configuration of MCS and who did not have any power in the existing structure.

5.2.3 Implications

This case stresses the importance of institutional contradictions and intra-organizational dynamics for initiating MCS change. Previous research on the effects of MCS change identify change that is preceded by an external factor such as new public policy or government regulation (see e.g. Reay and Hinings, 2009; Hyvönen et al., 2009; Ezzamel et al., 2012; Järvinen, 2016), however, our case shows that a similar change process can happen without the external factor. It was rather the institutional contradictions that enabled institutional entrepreneurs, the group of employees, to replace institutional arrangements (Hyvönen et al., 2012). Even in the highly institutionalized field of the health care (Pache and Santos, 2010), change can still occur and it can be initiated by less powerful actors – the employees using the Whistleblower function to dismiss the Operational Manager. Change agents exploited the institutional contradictions to bring about a change in MCS.

This contribution expands the accounting literature on the role of MCSs in endogenous change processes driven by internal change agents in a multiple logics context. We show how certain parts of MCS can mobilize power for less powerful change agents to initiate change. Previous research within the field of accounting and multiple logics has focused on powerful actors when addressing endogenous change and how they modify the MCS in their context (Sharma et al., 2010; Hyvönen et al., 2012). The employees mobilized power through the use of certain aspects of the MCS to resist the operational manager and bring about change. To become an institutional entrepreneur driving change from within, individuals must have an interest in doing so and enough resources at hand (DiMaggio, 1988). This can be obtained through their social position, that is formal position in the organizational hierarchy or informal position in organizational networks (Battilana, 2006),

or as we argue, mobilize power through the MCS. Only then are institutional entrepreneurs able to act and initiate divergent change that breaks away from the current MCS structures and the dominant logic of the field (Battilana, 2006). Further, this taps into the perspective of power circuits and the role of individual actors who were in position to challenge the circuits of power to the research stream on management accounting and institutional change (Ribeiro and Scapens, 2006). Furthermore, the process through which praxis lead to a MCS change has been criticized for not considering how actors "mobilize resources and alternative logics" to bring about change (Dalpiaz et al., 2016). However, in light of our findings we argue that the MCS can be used as a tool for mobilizing resources in that process of endogenous change. Our results imply that organizations operating in an environment of multiple, competing logics also need to consider the MCS implications on power distribution within the organization.

5.3 The MCS acts as a vehicle to transfer power during a MCS change

The role of the MCS in Alpha did not only play a role in mobilizing power and transform employees into change agents to initiate the change process, our study shows that it also played a role in the power shift that took place afterwards. In the accounting literature of MCS in a multiple logics context, the MCS is often seen as a tool to manage the tension between logics either by designing them into the system itself or by using those to balance the logics (see e.g. Sundin et al., 2010; Chenhall et al., 2013; Pache and Santos, 2013). In the context of change, previous papers have looked at MCSs as a vehicle for introducing new logics to the organization (Ezzamel et al., 2012) or as strategic tool introduced from the outside which the actors within the organization need to adapt to (Rautianen and Järvenpää, 2012). However, we argue that the MCS can have an additional function during a change process – the MCS can mediate a shift in power by acting as a vehicle to distribute power. We find that a changed use of the MCS resulted in a distribution of power to actors who started off as weaker actors in the organization. The increased interactive and transparent use of MCS combined with new systems and different focus for performance measurement had the effect of a power redistribution mechanism from the Management Team to the different groups of employees. Furthermore, the changed use in MCS resulted in an institutional change as the enactment of logics in Alpha were rebalanced. We argue that competing logics can be enacted as a constraint-optimization problem on an organizational level. Instead of

maximizing both at the same time, one variable is treated as a constraining variable that only needs to reach a minimum level, while other variable can be maximized.

5.3.1 Praxis: a changed use of the MCS redistributes power to employees

Prior to the change, the use of MCS in Alpha was characterized by low transparency and low interactive use. For instance, employees had little insight into the financial reports and deviation reports were neither discussed nor followed up on. As the change was initiated and the Operational Manager was replaced, power was redistributed within Alpha through the use of MCS. This happened in several steps. Firstly, a gradual reshaping of consciousness from within Alpha was seen when employees gradually started to question the existing practice and how the organization operated. Especially, the Business Controller became aware of the Quality Management System which had not been updated in time according to HealthCo policies. The employees played a significant role in rallying other actors through dissatisfaction of the current MCS within the Alpha to take action. This was done by first convincing groups within the organization that something was wrong but most importantly that something could be done, which eventually started the change process in which they played a significant part in its further development. Secondly, the changed use of MCS continued with the new Operational Manager, who was a former doctor at Alpha. He mobilized actors by engaging them interactively in the MCS. Together they came to the conclusion that the new MCS in Alpha should be built on a three-part strategy: investments in a new EHR system, improving doctor continuity by focusing more on this factor within the performance measurement system and setting up new working routines for the Quality Management System and deviation reports. These improvements were a result of the conclusions drawn through engaging every group within Alpha in interactive discussions regarding practices and processes within the organization, for instance, the new EHR system and the use of MedRave as a digital tool for performance measurement implied major improvements in for example the diabetes care. Thirdly, collective action for change was gathered by an organization-wide culture of continuous improvements using the MCS interactively and evaluating new initiatives continuously. Transparency towards employees was improved by sharing information through meetings and visible whiteboards, as well as involving employees through conferences and working groups to hear their opinion on the organization's strategy and operations. As a result, the changed use of

MCS allowed power to trickle down to the employees who previously were weak actors in the organization.

5.3.2 Institutional change: enactment of logics as a constraint-optimization problem

The change in MCS led to an institutional change in Alpha, as the enactment of logics within the organization shifted from a dominating business logic to a dominating medical logic. Therefore, we expand previous insight in how MCS can affect institutional logics (Modell, 2009; Rautiainen and Järvenpää, 2012). Similar to Ezzamel et al. (2012), we find that a changed accounting practice enabled changes in the influence of logics. However, in our case, the changed enactment of logics was not intentional or planned, it rather happened as a result of the MCS change and the distribution of power to groups of employees driven by a specific logic. The enactment of logics within the organization shifted from the dominating business logic in Period 1 to the dominating medical logic in Period 3. In Period 1, the MCS was configured in a way that prioritized profitability at any (non-financial) cost, which was employee well-being and perceived medical service quality by the patients. By using numbers from the performance measurement systems, showing the decline of quality factors such as employee and patient satisfaction, the change agents managed to mobilize efforts within Alpha and also the headquarters. In Period 3, as a result of the MCS the organization prioritized medical care and a high level of service as long as the profitability requirements were met. Over time, the interactive use of MCS became a "taken-for-granted way of behaving" (Burns and Scapens, 2000, p. 11) in Alpha and therefore the change agents were driving forces for the medical priority to become institutionalized in Alpha.

We extend the previous knowledge of MCS in a multiple logics context by proposing that a shift in the enactment of logics was possible when seeing competing logics as a constraint-optimization problem on an organizational level. Just like the concept in economics, the two logics can be seen as having two variables to maximize. Instead of maximizing both at the same time, one variable is treated as a constraining variable that only needs to reach a minimum level, while other variable can be maximized. Previous studies focused on the design and use of MCS to handle tensions between logics in an organization focus on the organizational response strategies of decoupling, compromising and combining (see e.g. Siti-Nabiha and Scapens, 2005; Sundin et al., 2010; Pache and Santos, 2013). However, we suggest that the same organization, by altering the use of MCS, handles the tensions in different ways. The two competing logics in Alpha were expressed as one

constraining logic and one maximizing logic. As long as the minimum requirement of the constraining logic was fulfilled, such as minimum medical standards or minimum profitability requirement, the other logic could be maximized.

5.3.3 Implications

MCS does not only act as a tool to effect or hinder changes influenced by powerful players such as the CEO (Chenhall et al., 2013), but can also mediate the distribution of power to weaker organizational actors. In an endogenous change process, we find that the MCS mediates the shift in power by acting as a vehicle in the distribution of power. The redistribution of power was found to play a key role in driving the change forward. Not only can MCS redistribute power and control in between health care financiers and health care professionals as shown by Kurunmäki (1999), but also act as a redistribution mechanism between health care professionals within an organization.

6. Conclusion

The health care sector illustrates how organizations are faced with long-lasting conflicting demands in their institutional environment, which they respond to by using management control systems (MCS). This study examined the question of how MCS are used in an organization facing multiple logics to drive a change from within, by conducting a retrospective longitudinal case study at a privately-owned primary care center in Sweden. In the accounting field of MCS in a multiple logics context, the role of MCS has been discussed as a mechanism for handling conflicting logics as well as a vehicle for introducing new logics. By analyzing our empirical data with the help of the Seo and Creed (2002) framework on embedded agency, we contribute to the literature in the following two ways.

6.1 The MCS mobilizes power and resources to initiate a MCS change

Previous accounting research on the effects of MCS change identify change that is preceded by an external factor such as new public policy or government regulation (see e.g. Reay and Hinings, 2009; Hyvönen et al., 2009; Ezzamel et al., 2012; Järvinen, 2016), however, our case shows that a MCS change process also can be initiated from within. We argue that the MCS had the function of mobilizing power and resources to less powerful change agents to initiate a change. By

investigating the role of MCS in the accumulation of institutional contradictions in Alpha and how it transformed employees into change agents, we found that employees started the MCS change process with the help the internal control system. This contribution expands the research within the accounting domain of MCS in a multiple logics context on the role of MCS in change processes driven by internal change agents. Previous accounting research has claimed that internal change agents must be able to operate on different levels in the organization at the same time, since they must gain support from actors on the field level as well as recognize other important audiences (Hyvönen et al., 2012). The change agents in previous research had power in the form of legitimacy and resources (Sharma et al., 2010; Hyvönen et al., 2012). Our case, on the contrary, demonstrates that change can be initiated by change agents with little power to start with. To become an institutional entrepreneur driving change from within, individuals must have an interest in doing so and enough resources at hand (DiMaggio, 1988). This can be obtained through their social position, that is formal position in the organizational hierarchy or informal position in organizational networks (Battilana, 2006), or as we argue, by mobilizing power through the MCS. Our results imply that organizations operating in an environment of multiple, competing logics also need to consider the MCS implications on power distribution within the organization.

6.2 The MCS acts as a vehicle to transfer power during a MCS change

In the accounting literature of MCS in a multiple logics context, the MCS is often seen as a tool to manage the tension between logics either by designing them into the system itself or by using those to balance the logics (see e.g. Sundin et al., 2010; Chenhall et al., 2013; Pache and Santos, 2013). In the context of change, MCS has been used as a vehicle for introducing new logics to the organization (Ezzamel et al., 2012) or as coercive tool introduced from the outside which the actors within the organization need to adapt to (Rautiainen and Järvenpää, 2012). However, we argue that the MCS can have an additional function during a change process – the MCS can mediate the shift in power by acting as a vehicle to distribute power. We find that when MCS was used in a more interactive way, the increased transparency and involvement of employees resulted in a more even distribution of power in the organization. This contributes to the accounting domain of MCS in a multiple logics context by expanding the MCS toolbox with the function of a vehicle through which power is distributed following in an endogenous change process. Furthermore, the changed use in MCS resulted in an institutional change as the enactment of logics in Alpha was rebalanced.

We argue that competing logics can be enacted as a constraint-optimization problem on an organizational level. Instead of maximizing both at the same time, one variable is treated as a constraining variable that only needs to reach a minimum level, while other variable can be maximized.

6.3 Practical implications

We highlight the role of MCSs with regard to power and employee participation. Previous research considered these concepts as important during a change and argued that they should be involved through profit-sharing schemes (Chenhall and Langfield-Smith, 2003). We show how involvement can be created by the distribution of power in order to feel an increased sense of ownership.

Although it is a single case study our organization with multiple competing logic may have many similarities with other organizations in other fields. We believe that this will have implications for how organizations facing multiple competing logics can work with their MCS with regards to power. We conclude that MCS can have the role of a distributor of power in an endogenous change process in an organization with multiple conflicting logics. This has practical implications in the health care sector that has a deeply-rooted structures based on professional values and medical knowledge. The sector has been challenged in recent years due to market pressures and governmental policies, moving towards a more liberal sector, not the least in Sweden. The financial pressure and operational efficiency in quantitative, measurable terms is an imposing challenge.

Some health care organizations are not run by business-educated managers and therefore tend to overlook the role of the MCS and how it can act as a tool for distributing power and empowering employees. From a managerial perspective, our study highlights their ability to decide on how MCS are designed and used, and how they can practically use those control systems to steer employees towards organizational objectives and strategies. The aim of the MCS is to enable employees to act in the organization's best interest, beyond the accounting-focus of simply making the numbers. Our findings suggest that involving employees in the change process is important. MCS change might be perceived as troublesome and met with resistance. We argue that it does not necessarily have to be like that. A change process is also a perfect opportunity to bring about modernization and a change of culture. Especially, involving employees is highly desirable for gaining their commitment towards the change and the new organizational shape. Last but not least,

our results have implications beyond the health care sector, in fact, the MCS has a role to play in any sector or organization facing similar divergent demands and change processes.

6.4 Limitations

Conducting case study research implies a number of limitations. Firstly, conclusions cannot be statistically generalized due to the limited data. Whether the 21 interviews are enough to support our conclusions is difficult to judge. Secondly, exact replication would be challenging since interviewees' answers may change depending on the researching circumstances. Interviewees' answers were interpreted and analyzed and to as much as possible triangulated and cross-checked with other data sources. Thirdly, collecting parts of the data retrospectively relies on that interviewees recall prior events, which is subject to memory bias. Data has therefore been collected from several interviewees and sources to mitigate such errors.

Another potential bias is the choice of interview subjects, which was to a certain extent made by the current Operational Manager who granted us with access to the organization and permission to conduct the interviews. Therefore we lack the perspective of employees who resisted the change and hence left the organization. Also, we have not been able to interview the Operational Manager in Period 1 due to the sensitivity of the circumstances surrounding her dismissal. Furthermore, external institutions and factors have mainly been disregarded in this study as we focus on the internal processes of an organization. However, we do acknowledge that it is hard to make a perfect separation between external factors and its impact on internal processes.

6.5 Suggested future research

As with academic research, this study may give rise to more questions than answers. Firstly, in line with research on MCS in a multiple competing logics context (see e.g. Sundin et al., 2010; Ezzamel et al., 2012; Rautiainen and Järvenpää, 2012; Pache and Santos, 2013), our thesis is based on the assumption that institutional logics need to be competing or incompatible in order for the MCS to play an important role in handling that tension. However, another avenue for research could study the role of MCS in driving endogenous change and empower change agents as a vehicle to transfer power in an organization that is not facing multiple competing logics. Secondly, our study was done in a privately owned health care organization because we expect the conflict of logics to be more pronounced in such an organization, especially after the trend of privatizing

previously state-owned public services in Sweden and the ongoing public debate of profit-driven companies in the welfare sector. Future research could conduct a comparative study of a public and private health care organization to see whether the conflict of logics is expressed in a different way and whether the role of MCS is different.

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Appendix

Appendix 1: National Patient Survey results for Alpha

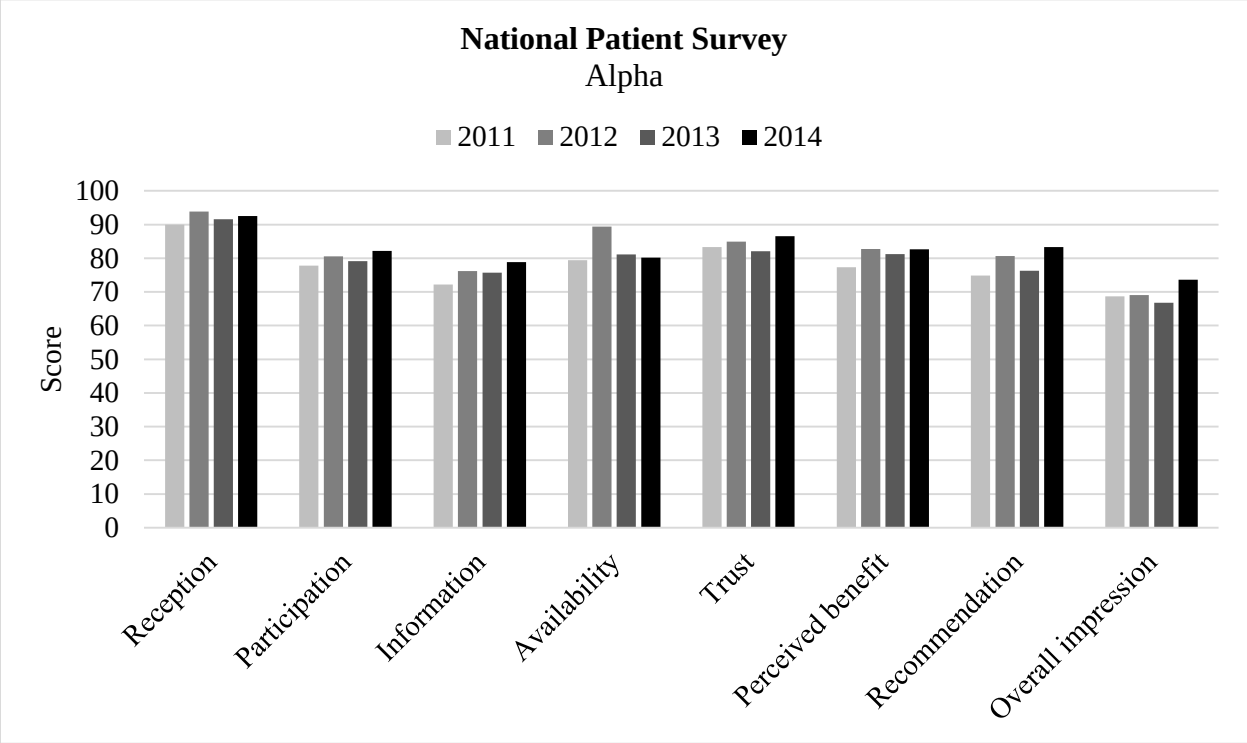

Figure 5. National Patient Survey result for Alpha 2011-2014

National Patient Survey Indicators (2011-2014)

Indicators	Description
Reception	Patient treated with respect and in a considerate way
Participation	Patient involved in decisions about care and treatment
Information	Patient receiving enough information about his/her condition
Availability	Waiting time
Trust	Trust in the doctor
Perceived benefit	Healthcare needs satisfied by the visit to the clinic
Recommendation	Recommend this clinic to others
Overall impression	The care/treatment as a whole

Source: National Patient Survey, Swedish Association of Local Authorities and Regions

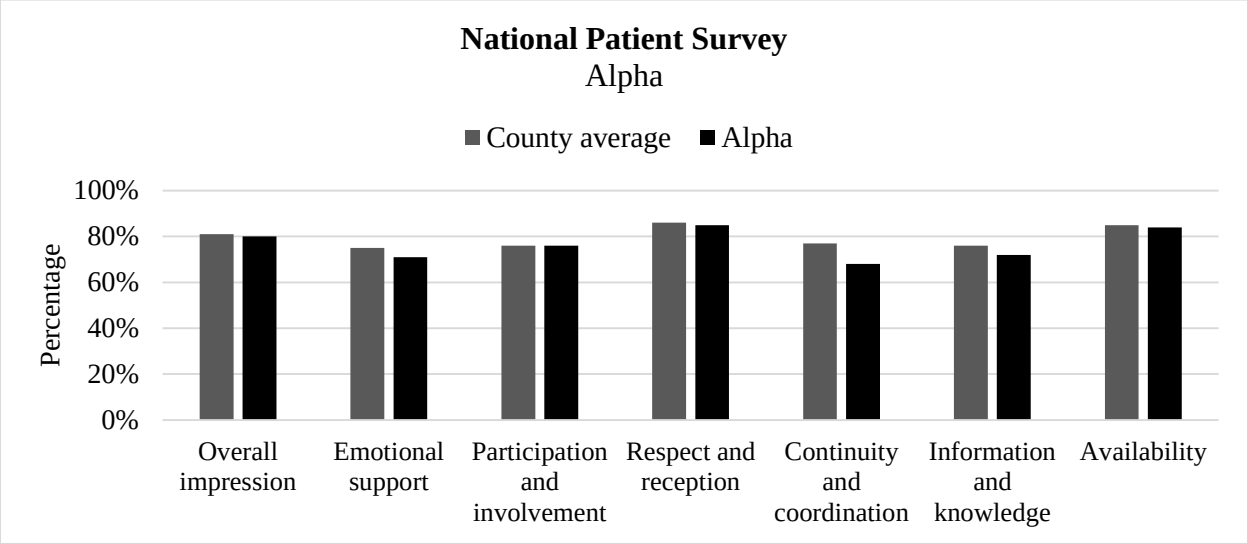

Figure 6. National Patient Survey result for Alpha, 2015, changed survey not comparable to previous years

National Patient Survey Indicators (2015)

Indicators	Description
Overall impression	Overall expectancy-driven factors, perceived efficiency and outcome, care and security
Emotional support	Active and responsive to the patient's anxiety, fear or pain and is available and supportive in a patient-friendly manner
Participation and involvement	In care and in decision regarding the patient
Respect and reception	Response adapted to individual needs and conditions, like everyone's equal value, compassion, dedication and care
Continuity and coordination	Coordination of the individual's care, as the staff's ability to collaborate with each other and in relation to the patient
Information and knowledge	Inform / communicate in a manner adapted to individual circumstances and proactively
Availability	Proximity and contact routes, staff availability for the patient

Source: National Patient Survey, Swedish Association of Local Authorities and Regions

Appendix 2: National Diabetes Register result for Alpha

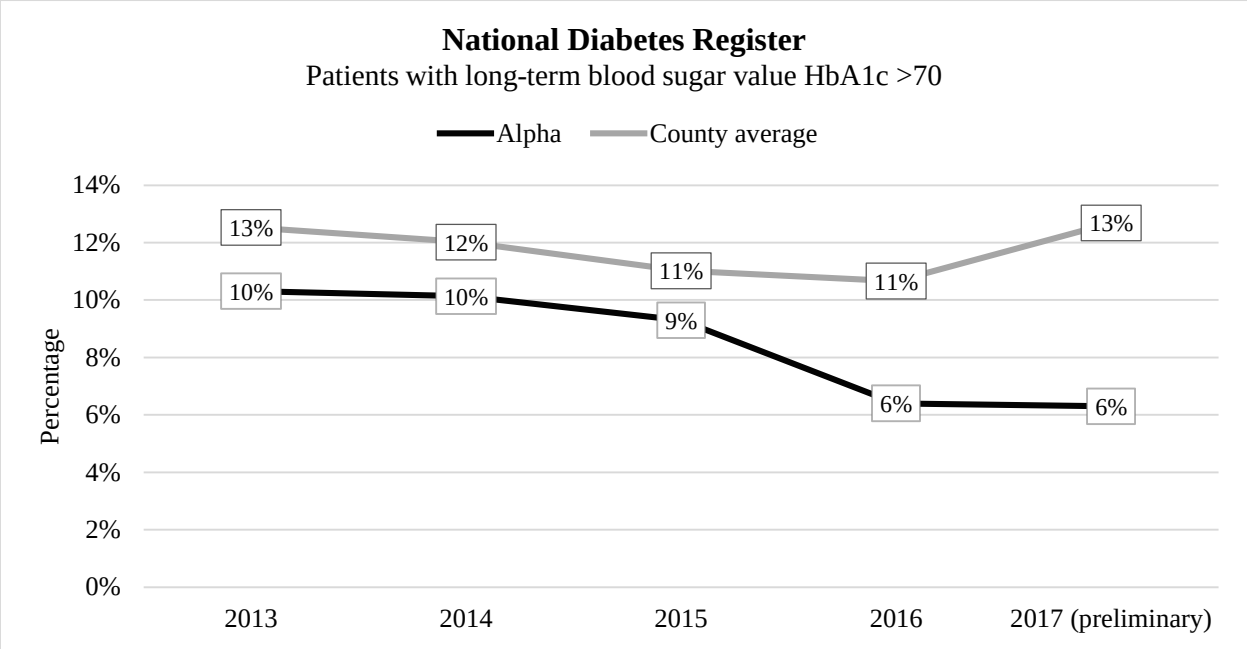

Figure 7. National Diabetes Register for Alpha's diabetes patients compared to the national average.

Source: Swedish National Diabetes Register

Appendix 3: Example of Interview Guideline

Background

- Tell us about your background and responsibilities
- Describe the systems and processes you work with on a daily basis
- What kind of outspoken goals do you have?

Before 2014

- Can you describe your situation and how it differed from today
- Tell us more about the documentation and follow-up procedures
- What were the performance measures and goals at Alpha?
- How did you use the EHR system/Quality management system/MedRave?
- How did you work with aspects such as quality, efficiency and change?

Between 2014 and 2015

- Can you describe your situation and how it differed from today
- Tell us more about the documentation and follow-up procedures
- In your opinion, what was the aim of Alpha?
- What were the performance measures and goals at Alpha?
- How did you use the EHR system/Quality management system/MedRave?
- How did you work with aspects such as quality, efficiency and change?
- Where you involved in the change process, if so, in what way?

After 2015

- Can you describe your situation and how it differed from today
- Tell us more about the documentation and follow-up procedures
- In your opinion, what was the aim of Alpha?
- What were the performance measures and goals at Alpha?
- How did you use the EHR system/Quality management system/MedRave?
- How did you work with aspects such as quality, efficiency and change?
- Where you involved in the change process, if so, in what way?