

People in suits: A case study of empowerment and control in a non-profit UK organisation

- Authors' accepted manuscript -

Roxana Corduneanu and Laura Lebec, University of Glasgow

Abstract

The study of management control systems (MCS) and their role in organisations has long been the focus of both academic and practitioner research. Yet while extant literature focused on management's perspective on MCS, few studies have explored employee's attitudes and behaviours which accompany the implementation of control. What is more, little is known about the specific uses and behavioural outcomes of MCS in the context of non-profit organisations. Drawing on Simons's Levers of Control framework, this paper aims to address these gaps in the literature and investigates the balance between control and empowerment of employees in a UK non-profit organisation with a significant clinical remit. Using data from 27 semi-structured interviews with different organisational members, from directors to non-managerial staff, this research reveals that suppression of interactive systems and internal inconsistencies between different types of controls hinder the balance between empowerment and constraint. This imbalance is then found to have important consequences for employee buy-in, in some cases defeating the purposes of control. This study enhances our understanding of the gap between the design of control systems and employees' perceptions of it in an unusual organisational setting (non-profit and bringing together clinical and non-clinical staff and operations).

Introduction

The non-profit sector is currently playing an increasingly prominent role within our society (Milbourne, 2013, Manville and Broad 2013, Moxham and Boaden, 2007), providing unique added value in the delivery of services that are important to communities and to the wider public (Greatbanks et. al., 2010). Underpinned by a unique set of core values and motivations which account for their drive to benefit people (Macedo et al., 2016, Moore, 2000), non-profits are often driven by mission accomplishment that can promote a sense of shared expectations and positively influence employee behaviour (Macedo et al., 2016, Alavi and Karami, 2009). Yet organisations which operate in the non-profit sector are also working in an environment where they are increasingly competing for scarce resources and must prove their effectiveness to a wide variety of stakeholders (Tucker and Parker, 2013, Speckbacher, 2003). There is therefore an imperative need for them to ensure they are following the most appropriate strategic direction (Tucker and Parker, 2013, Stone et al., 1999), as well as monitoring their efforts to do so (Herman and Renz, 1999, Tucker and Parker, 2013). Indeed, over the last two decades, non-profits have been subject to increasing demand for accountability to their stakeholders (Manville and Broad, 2013, Moxham, 2009), which brings about a strong case for the use of management control systems in the sector. Arguably, this is particularly the case with small organisations such as the one in this case study – a small, non-profit organisation with a significant clinical remit - as they are more likely to have underdeveloped management processes and capabilities (Pešalj et al., 2018), thus making them ideal settings for the study of management theory and practice.

Defined as interdependent “devices and systems that managers use to ensure that the behaviours and decisions of employees are in line with the organisation’s objectives and strategies” (Merchant and van der Stede, 2007, p.5), management control systems (MCS) are important for achieving strategic targets and address such demands for increased accountability. Examples of MCS include tools such as budgets, rules and regulations, standard operating procedures, job descriptions, performance appraisals and accounting measurements, all of which can direct employee behaviour towards the attainment of pre-determined goals. It should be noted, however, that MCS are not always concerned with restricting undesirable behaviours - as the term ‘control’ would implicitly suggest, but they can, in fact, be used to attain organisational objectives through positive means such as by encouraging employee creativity and the search for new strategic opportunities (Ahrens and Chapman, 2004; Chenhall and Morris, 1995; Simons, 1995; Zimmerman, 2005). Simons (1995) specifically addresses this point in his ‘levers of control’ (LoC) framework, differentiating between ‘positive’ control systems that promote learning and innovation, and ‘negative’ control systems that are more focused on prescribing specific standards of performance and closely monitoring against deviations. Within this framework, the concept of balance between the two opposing forces is considered to be central (Simons, 1995; Kruis et al., 2016), and recent research has shown that the use of both controlling and enabling MCS is needed to enhance organisational performance and create competitive advantage (Henri, 2006; Widener, 2007; Koufteros et al., 2014; Speklé et al., 2017).

Drawing on Simons’s (1995) LoC framework, the aim of this research is to examine the relative balance between the use of positive and negative systems of management control in the context of a third-sector organisation in the UK, and its effect on employees interacting with these systems in their everyday activities. This study thus makes an important contribution to knowledge, firstly by investigating LoC balance in an organisational context with traditionally different takes on managerial control than other (for-profit) sectors where MCS are perhaps more ‘at home’. Indeed, it has been suggested that there is a lack of research on appropriate management approaches for non-profit hospices, where research is typically focused on clinical issues, rather than issues pertaining to hospice management (Marie Curie, 2015). The second contribution of this study is that, by observing MCS’ impact on people’s attitudes and behaviour, it allows us to draw important implications for promoting employee engagement with the different MCS used in this organisational environment.

In terms of focus, we looked specifically at the use of different health and safety (H&S) control systems in the organisation, from H&S policies and procedures to training and information conveyed during team meetings. Adopting a problem-centred research approach, we started from a ‘real-life’ issue highlighted by the organisation itself, in terms of their failing to create employee engagement with the H&S systems in place, which often tended to be perceived - in their words - as “a block to activity”. We thus considered Simons’s LoC framework to be an important tool to help us address the following research question: to what extent did the organisation achieve the appropriate tension between empowering and restrictive H&S systems of management control and what are the consequences at employee level?

In terms of the suitability of applying the LoC framework in a non-profit organisational context, whilst there are those who claim that applying for-profit tools is not appropriate for the non-profit sector (Dacombe, 2011), others argue that existing approaches could and should be used

(Moxham, 2009, Taylor and Taylor 2014). Moreover, there are those who consider that models developed from outside the sector can be successfully adapted (Radnor and McGuire, 2004). We posit, therefore, that the non-profit sector can benefit from approaches such as management control systems, which were developed by their for-profit counterparts (Bititci et al., 2012). The findings of this study are thus based on 27 qualitative interviews with designers and users of MCS, in an attempt to explore not only whether senior managers are able to achieve the required balance between empowerment and constraint, but also how this affects staff in their everyday jobs, and how it consequently impacts on their attitudes and behaviours towards the MCS in place. In doing so, this paper addresses an important criticism of Simons's LoC framework, namely that, despite frequent references to the notion of balance, Simons does not provide a specific definition of what balance is, nor how it is reflected in the control system (Kruis et al., 2016). By applying Simons's LoC framework critically in this study, we provide further evidence on how to extend the application of this framework within a non-profit setting.

This paper begins with a review of the relevant literature on management control in the non-profit context, focusing on the notion of LoC balance, as well as the antecedents and consequences of achieving (or failing to achieve) a favourable dynamic tension between 'positive' and 'negative' controls. The methodology section then introduces the use of semi-structured interviews as the main method of data collection, which served to gain an in-depth appreciation of the main differences between managerial intentions in the design of MCS and employee perceptions regarding the role of such systems. This is followed by a summary of key findings, as well as a discussion of this study's contribution to literature, particularly in the context of organisations such as that of our case study, where effective compliance with safety systems is critical.

Literature review

The non-profit context

The non-profit sector has been described as having a prominent role in public service delivery, offering unique added value to its stakeholders and communities (Milbourne 2013, Manville and Broad 2013, Moxham and Boaden 2007). Understanding the distinctive characteristics of the non-profit sector is important to appreciate the challenges which they present for the application of management approaches. These have been described as: having a unique culture, including a strong focus on mission and values, as well as various power structures (Cairns et al., 2005, Taylor and Taylor 2014, Macedo et al., 2016); having multiple and, at times, ill-defined goals (Dacombe 2011, Cairns et al., 2005); the voluntary nature of much of the non-profit sector, where volunteers tend to provide a significant amount of support (Dacombe 2011); the multiplicity of stakeholders (Taylor and Taylor, 2014; Cairns et al., 2005; Moxham 2009); and its distinctive governance structure (Hyndman and McDonnell, 2009). There is also an argument in the literature that non-profit organisations can be averse to taking risks and are, at times, hampered by tradition (Hull and Lio, 2006) and, thus challenging the development of innovative practices (Fuglsang and Sundbos, 2005).

Yet the increasing scrutiny from funders has meant that the non-profit sector is required to become more business focused, whilst still retaining its unique characteristics (Dart, 2004,

Manville and Broad 2013). In particular, the growing requirement to become more accountable to its many stakeholders is proving highly demanding (Taylor and Taylor, 2014), implying that keeping up to date with modern management practices is vital for building trust with its stakeholders (Manville and Broad, 2013, Taylor and Taylor 2014, Greiling, 2007), as well as improving the sector's overall performance (Verbeeten and Speklé, 2015). Where non-profit organisations do not adopt such structured approaches to management - including management control systems - to improve strategic planning, efficiency and accountability, they are at risk of being criticised for having poor or ineffective management practice (Connolly and Hyndman, 2004). Yet in spite of growing attention to these risks, research studies have yet to consider the particularities of using different types of MCS in non-profit organisations, especially in terms of how these systems are perceived at employee level, and the consequences of these perceptions for employees buying into these systems. The aim of this paper, therefore, is to bridge this important gap in the literature, and advance a more nuanced understanding of the manifestations of management control in a small palliative healthcare organisation. To achieve this aim, we draw on a theoretical model frequently used in the MCS literature, Simons's LoC framework.

Simons's Levers of Control Framework

Over the past two decades, the focus of research in management control has shifted from an exploration of its design and implementation to gaining a better understanding of the use and effects of these systems (Pešalj et al., 2018, Bititci et al., 2012). Research has shown that MCS can help with both strategy implementation and promoting positive behaviours (Pešalj et al., 2018, Franco-Santos et al., 2012). Yet when the emphasis is primarily on the technical issues of management control systems, and social aspects are neglected (such as individuals understanding the role of such measures), the effects of management control tend to be negative (Smith and Bititci 2017, Pešalj et al., 2018, p.2169).

Over the years, many typologies for classifying MCS have been proposed (e.g. Adler and Borys, 1996; Anthony and Govindarajan, 2007; Broadbent and Laughlin, 2009; Malmi and Brown, 2008; Merchant, 1985; Miles and Snow, 1978; Simons, 1995), taking different approaches from behavioural perspectives (Merchant and van der Stede, 2007), to studying the "package" of MCS (Malmi and Brown, 2008). Simons's (1995) LoC framework, however, remains one of the most frequently used taxonomies in management control research, with several studies applying this framework to understand issues of strategic change management and control in recent years (e.g. Martyn et al, 2016; Kruis et al, 2016; Heinicke et al, 2016; Pešalj *et al.*, 2018, Baird et al, 2019; Lam et al, 2019). The model starts from the premise that organisations need to manage tensions "between freedom and constraint, between empowerment and accountability, between top-down direction and bottom-up creativity, between experimentation and efficiency" (Simons, 1995, p.4). In other words, this framework acknowledges that organisations need to balance the achievement of pre-determined objectives on the one hand, with the need for learning (Kloot, 1997) and innovation on the other hand (Bisbe and Otely, 2004; Jørgensen and Messner, 2009; Lopez-Valeiras *et al.*, 2016), so that they can effectively adapt and respond to changes in the environment (Kominis and Dudau, 2012) and achieve long-term organisational performance (Drucker, 1994; Walsh *et al.*, 1992; Koufteros *et al.*, 2014). These tensions are managed through four "levers of control", classified as either positive forces ("beliefs" and

“interactive” controls) or negative forces (“diagnostic” and “boundary” controls). An illustration of these different MCS and their links with business strategy are presented in Figure 1.

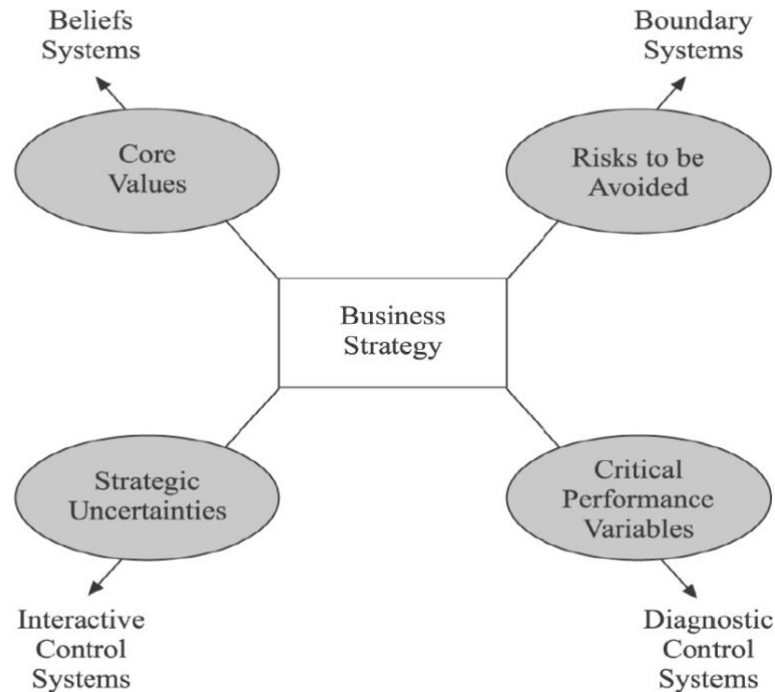


Figure 1 – Simons’s LoC framework

Source: Simons (1995)

Within the LoC framework, both the beliefs and the interactive control systems are used to “motivate, reward, guide and promote learning” (Tessier and Otley, 2012, p.172). For example, belief systems are used to define and reinforce the values, purpose, and direction of the organisation through documents such as mission statements and statements of purpose. Their role is to promote and guide the search for new ways of creating value and expand the organisation’s strategic domain through opportunity-seeking behaviours (Simons, 1995). In a similar way, interactive systems are used to monitor changes in strategic uncertainties, and they require managers “to involve themselves regularly and personally in the decision activities of subordinates” (Simons, 1995, p.95), for instance through face-to-face meetings and discussions with employees. Their purpose is to enable dialogue throughout the organisation, encouraging employees to question and challenge existing strategies, and develop new ones that are more efficient at responding to changes in the environment (Simons, 1995).

The other two types of control, diagnostic and boundary control systems, are concerned with critical performance variables, and the analysis of risks to be avoided, respectively. Diagnostic systems, for instance, are used to “monitor organisational outcomes and correct deviations from pre-set standards of performance” (Simons, 1995, p.59). Some examples of diagnostic controls

include business plans and budgets, which are typically used to track variances from pre-established goals, and then take corrective actions to reduce discrepancies between actual and intended performance (Abernethy and Brownell, 1999). Boundary systems, on the other hand, are used to establish explicit limits and rules which must be adhered to, and are normally specified in negative terms or as minimum standards (Simons, 1995). They include “activities that impose codes of business conduct for employees”, as well as boundaries which set limits to business strategy (Tessier and Otley, 2012 p.172).

Antecedents and consequences of Levers of Control balance

The two sets of control systems (i.e., belief/interactive and diagnostic/boundary) are therefore in opposition with each other and need to be properly balanced in order to promote both opportunities for innovation and predictable goal attainment. Achieving this type of balance, however, is an arguably difficult exercise. According to Mundy (2010), managers are often unable to specify *ex ante* what constitutes a favourable balance given the complex nature of the decisions they face. The very notion of ‘dynamic tension’ implies that significant efforts need to be made to navigate the constant changes that the organisation faces in both its internal and external environment, and which can severely impact the relative weight of the different levers (Bruining *et al.*, 2004; Henri, 2006; Flamholtz, 1983). In an attempt to systematically examine the determinants of MCS balance, Mundy (2010) identifies four important factors that can either promote or inhibit the achievement of optimal dynamic tension, including: a) *internal consistency* between systems, described as the degree of congruence between the organisational priorities and imperatives promoted by the different levers of control; b) the *order* in which the levers are used, suggesting that interactive systems need to be mobilised before diagnostic and boundaries processes become “hard-wired” into the organisation; c) *dominance/historical tendency*, which is evidenced when one or more of the levers consistently determine the use of the remaining levers; and d) the link between *interactive systems* and the remaining levers of control, suggesting that interactive processes play a crucial role in creating and maintaining a balance between the remaining levers. These four factors indeed appear to be in line with related MCS studies. Regarding the notion of internal consistency, for example, there is evidence to suggest that belief systems may not be effective unless they are supported by other mechanisms of control (Bart *et al.*, 2001), and, notwithstanding the foundation they provide for the organisation, they simply represent a starting point in the effort to achieve organisational goals (Pearce and David, 1987). Similarly, interactive systems were found to be critical for translating learning into specific standards of performance that are the focus of diagnostic controls, and to shape the domain of risk of boundary controls (Simons, 2000; Widener, 2007).

Regarding the *consequences* of achieving MCS balance, several empirical studies reveal that organisational performance is associated with the use of *both* diagnostic and interactive systems (e.g., Henri, 2006) and that *all four* control levers are needed for the organisation to operate effectively (e.g., Bruining *et al.*, 2004; Tuomela, 2005; Widener, 2007; Speklé *et al.*, 2017; Baird *et al.*, 2019). Furthermore, MCS balance (or lack of balance) is likely to impact employees at the individual level as well, although literature in this sense is rather scarce. In a conceptual development of Simons’s framework, Tessier and Otley (2012) point out that more studies are needed to take into account the difference between managerial intentions and employee perceptions, and there are studies to suggest that the ways in which individuals interpret MCS is indeed critical for determining their attitudes and levels of compliance with the control practices

in place. Ahrens and Chapman (2004), for example, use the terms 'enabling' and 'coercive' to distinguish between employees' positive and negative attitudes towards MCS, respectively, suggesting that the two should be differentiated in relation to the process through which MCS are developed. Specifically, in order for MCS to be perceived as enabling, employees first need to be able to 'repair' or instigate changes to these systems, to be given discretion over the use of these systems, and to understand the working of these systems not only within their own department (internal transparency), but also in terms of how they fit into the organisation as a whole (global transparency). Unless MCS present these characteristics, they are unlikely to be perceived as enabling, and thus unlikely to promote goal congruence (Ahrens and Chapman, 2004). More recent research seems to support this view, with Groen *et al.* (2017) showing that employee participation in the design of performance measures is likely to result in several instances of improved organisational performance.

Still, while studies such as Ahrens and Chapman (2004) provide an interesting account of the positive and negative attitudes that employees may develop towards MCS, they are limited in the sense that they do not take into account the specific role of LoC balance in influencing these attitudes. In fact, little is known about the attitudinal and behavioural consequences associated with LoC balance, particularly in the case of regulated organisations where employees' engagement with various control systems is critical. This paper aims to address this limitation in MCS research by investigating the H&S systems of control used in the context of a UK third-sector organisation. As such, this study examines the differences between managerial intentions and employee perceptions, considering not only employees' views of how the systems affect their daily work, but also their ability to adhere to predetermined organisational objectives.

Methodology

This research has focused on the specific case study of a non-profit hospice and palliative care organisation. These organisations are responsible for delivering high quality palliative care to those with life-limiting illnesses (Mura *et al.*, 2016, MacDonald and Caper 2016). Whilst facing the same characteristics as other non-profit organisations, they have additional particular complexities, and healthcare professionals working in this environment must be able to change and adapt operations to meet patients' needs (Mura *et al.*, 2016). The study benefited from generous access to a small non-profit hospice organisation, which was granted as the organisation was in search of a solution to a problem they were experiencing with the management of their H&S systems. The organisation was concerned that their H&S control systems were ineffective and had become a block to activity rather than an enabler. Therefore, a problem-centred research approach was undertaken to evaluate the balance between constraint and empowerment in the management of their H&S MCS. This type of approach refers to identifying issues in the real life and trying to find viable solutions to those problems, thus contrasting with the more conventional 'problem-based' studies which start from identifying gaps in the literature.

The organisation is a non-profit charity offering clinical services to children and young people with life-shortening conditions. With more than 20 years of existence, the organisation evolved to employ over 250 members of staff across different functions in the organisation, from Clinical and Fundraising teams, to support teams such as Finance and Administration. In order to meet its legal responsibilities for H&S, the organisation had, at the time of conducting the research, a

written H&S policy, an incident reporting system, documented risk assessments and three designated H&S advisors.

Both managerial and non-managerial staff were invited to take part in semi-structured interviews lasting, on average, between 30 minutes to an hour. Senior managers and designers of the H&S policy were questioned on their ability to balance pressures for freedom vs accountability in the management of H&S, while employees were asked about their attitudes towards the systems and their compliance with the processes in place. To gain an in-depth appreciation of how H&S controls were affecting both clinical and non-clinical workers, individuals from different teams were invited to take part in this research, including Children and Families; Fundraising; Finance and Administration; and Organisational Development. It was deemed that respondents from different departments would have different understandings of the problem, and thus offer unique perspectives for exploring the dynamic between empowerment and constraint in the management of H&S in the organisation.

The questions covered topics such as respondents' awareness of the systems within the organisation that were designed to regulate their H&S behaviours, their contribution to the design and subsequent changes of relevant policies and procedures (Ahrens and Chapman, 2004), and their perspectives on the general intent of the H&S policy in terms of either restricting undesirable behaviours or promoting positive behaviours. Participants were then prompted for examples of their experience with using control tools such as risk assessments, incident reporting and investigations, and the ways in which H&S policy either limited or empowered them in their daily activities. Over the course of the research, 27 interviews were completed, and the final sample consisted of 7 directors, 11 managers, 8 non-managerial employees, and the chief executive. All participants gave their consent to taking part in this research and to the interview being recorded.

Interviews were analysed through thematic analysis, which emphasizes the identification and recording of patterns (or 'themes') within the data (Brown and Clarke, 2006). Following Gioia *et al.*'s (2012) method, the interviews were first coded by adhering faithfully to participants' terms (*first order* analysis), resulting in a large number of informant-generated terms, codes, and categories. This was based on a preliminary reading of all interview transcripts, generating notes to document main insights and reoccurring topics (Charmaz, 2006). In the second step, researchers engaged in iterative cycling between pre-existing theory, the data, and the emerging theory (Strauss and Corbin, 1990) to generate what Gioia and colleagues (2012) call *second order themes* – essentially broader and more abstract theoretical categories moving away from the respondents' conceptualisation of their work and closer to abstract theory. Thus, we moved from more open, to axial, coding (Strauss and Corbin, 1990), both within each interview and across the interviews. The resulting second order themes were distilled even further into *aggregate theoretical dimensions* which represent our main findings. A sample of this coding process is presented in Appendix 1. The internal validity and reliability of the findings were enhanced by cross-referencing interview data against a variety of documents (Yin, 2003), including the organisation's H&S policy, the safety operating procedures, and minutes of the H&S Steering Group (HSSG) meetings.

Findings and discussion

The primary aim of this study was to advance an understanding of the manifestations of LoC (im)balance in the management of H&S, in particular in relation to employees' level of engagement with the systems in place. The analysis of qualitative data revealed several issues with the management of H&S processes in the organisation, demonstrated primarily through an *imbalance* between Simons's 'positive' and 'negative' levers of control. To serve as a point of reference for the findings discussed below, Table 1 shows the range of H&S control systems used/absent, at the time of research, in the organisation.

<i>Control levers</i>	<i>Boundary controls</i>	<i>Diagnostic controls</i>	<i>Belief controls</i>	<i>Interactive controls</i>
<i>Purpose (Simons, 1995)</i>	<i>Establish explicit limits and rules which must be adhered to</i>	<i>Monitor outcomes and correct deviations from pre-set performance standards</i>	<i>Define and reinforce the values, purpose, and direction of the organisation</i>	<i>Enable dialogue for monitoring and responding to strategic uncertainties</i>
<i>Examples of practices used (or absent) in the organisation</i>	Risk assessments	Reports on accidents, diseases and dangerous occurrences	Mission statements asserting a positive and pragmatic approach to managing H&S	Health and Safety Steering Group (HSSG) meetings, but only for senior managers
	The H&S policy and the Safety Operating Procedures	Percentage rates for the completion of the H&S online training modules	Policy statements emphasising a positive H&S culture	Lack of information on H&S conveyed during team meetings
	H&S training modules	-	Self-proclaimed consultative approach to managing H&S	Lack of feedback on incidents reported

Table 1 – Examples of the four levers of control used in the organisation

The next section starts by discussing the two key factors which we have identified to impact the organisation's ability to balance the controlling and empowering uses of H&S MCS, namely suppression of interactive systems and lack of internal consistency between the four levers of control (Mundy, 2010). Then, the discussion focuses on the differences between the intentions of those responsible for managing H&S in the organisation (i.e. directors and senior managers involved in HSSG) and the attitudes of staff using H&S controls in their everyday activities.

Factors impacting LoC balance

- ***Suppression of interactive systems***

From interviews conducted with both managerial and non-managerial staff, as well as from the secondary data consulted, it became evident that interactive controls were suppressed¹, meaning that there were no structures for communication, learning and dialogue in the management of H&S in the organisation (as shown in Table 1). Although several senior managers were responsible for managing H&S in the organisation, and they regularly debated safety issues at the HSSG meetings, these matters were typically not cascaded down to non-managerial staff. Managers did not involve themselves in the activities of employees, and the top-down sharing of information regarding H&S issues was not promoted in the organisation via face-to-face discussions:

*I'm on the steering group so I suppose I see more than most, but the investigations aren't possibly all they could be, and therefore it's not clear what the learning is. [...] A change needs to happen [...] to improve that and then share that with the whole team.
[Director of Children and Families]*

Furthermore, not only were interactive systems suppressed within the organisation, but the other levers of control were not used in an interactive manner either. Extant literature indeed supports the notion that restrictive controls such as budgets (Abernethy and Brownell, 1999) as well as balanced scorecards (Tuomela, 2005) can be used both diagnostically and interactively. Yet there is no evidence that the diagnostic systems in this case study organisation were used as more than tools for evaluating deviations from pre-set objectives. For instance, when asked whether employees typically received feedback on any reported incidents (i.e. diagnostic controls), several interviewees suggested that such information is not directly communicated to employees (i.e. not used interactively):

I don't think we are great in sharing instances to the rest of [the organisation]. I know about it, but I'm not sure how widely it is communicated to the rest of the staff and volunteers so that they know that it's things we constantly monitor and constantly learn from as well. So I think we do the reporting, but it feels like we just do it because the corporate governance committee needs it rather than [...] that the organisation will learn from it. [Ex Director of Finance]

In the management control literature, the use of interactive systems has indeed been associated with organisational learning (Kloot, 1997) as well as innovation (Bisbe and Otely, 2004; Jørgensen and Messner, 2009; Lopez-Valeiras *et al.*, 2016), the latter often linked to long-term organisational performance (Drucker, 1994; Walsh *et al.*, 1992). Yet when interactive systems are *not* mobilised, this study finds that organisational learning and innovation are likely to be hindered. The pressure in the everyday management of H&S was towards being efficient and

¹ Following Mundy (2010), we consider control factors to be 'suppressed' if their absence was specifically noted by participants.

compliant (“the corporate governance committee needs it”) rather than continuously searching for improvement, and because positive interactive systems typically go beyond the minimum legal requirements, these levers of control ended up not being actively promoted in the organisation. Such findings are thus consistent with the notion that non-profit organisations are strongly bound by tradition and risk-aversion (Hull and Lio, 2006), and that they will have more difficulties in developing the social competencies needed to drive innovation (Fuglsang and Sundbos, 2005), such as a change from compliance to continuous improvement. An important implication of having this reactive focus, however, is that the organisation was far from achieving optimal dynamic tension between freedom and restraint:

Sometimes the quickest answer is controlling [employees] – because enabling [them] actually takes quite a lot of time to educate and to support and to guide through. [Health and Safety Advisor and Facilities Manager]

There is evidence to suggest, therefore, that as far as innovation (empowerment) and compliance (control through minimum standards) act as competing forces in the organisation, the suppression of the former is likely to result in an over-reliance on the latter. In line with Mundy’s (2010) and Simons’s (2000) propositions, we discover that when interactive systems of control, in particular, are underdeveloped, dialogue across different levels of the organisation is hindered, and the overall system transpires as being inherently controlling, rather than balanced.

- ***Lack of internal consistency between LoC***

A second factor that was identified to contribute to lack of balance is the internal inconsistency between the different levers of control, i.e. there was evidence for a lack of congruence between the priorities and imperatives promoted by the different systems of control (Mundy, 2010). As prior studies (e.g. Flamholtz, 1983; Henri, 2006) suggest, this inconsistency is apparent particularly with regard to the degree of correspondence between the values promoted through *belief* systems and the other three levers of control. Indeed, in this particular case study, there was great discrepancy between the aims stated in the organisation’s H&S policy, on the one hand, and the way in which the overall system appeared to restrict the activities of employees, on the other hand. While the policy asserted that the organisation would “ensure that limits are not placed” on employees’ activities, several interviewees still described the H&S processes as “form-filling”, “tick-boxing exercises” that often limited their work. When asked about their experiences with reporting incidents and filling in risk assessment forms, for example, respondents provided interesting accounts regarding the bureaucratic nature of such processes:

They [the incident forms] do get filled out, do not get me wrong, because you have to fill them out. But if you are busy on the floor and there is nobody going around to help you, your child is maybe needing a bath or having a seizure or they are just wanting all your attention... It is time consuming doing that and you don’t want the parents to come and feel you are sitting there doing paperwork again. [Support worker]

In addition, while, in theory, the organisation promoted a consultative approach to the management of H&S, some respondents suggested that the organisation did not, in fact, have the appropriate structures in place to effectively promote H&S and involve employees in meaningful dialogue:

No, we don't consult. [...] I don't think we've got the right structure with the right people in the right places at the right time to put a communication strategy out. Because if we just communicated more, we'd have a better understanding... even with the bad procedures that we've got. If we just communicated better, if [H&S] was promoted that way, then it would work. But none of us have got the time to do that. [Health and Safety Advisor and Facilities Manager]

It is important to highlight, therefore, that it is not only conflict between innovation and accountability that impact LoC balance in this case, but the very inconsistencies between the two 'positive' levers of control. Regardless of the affirmative assumptions conveyed through belief systems, it becomes apparent that these levers of control may not instil a positive culture or reinforce the values of the organisation *unless* they are internally consistent with and supported by the interactive systems. In effect, in the absence of controls that foster communication, interaction and learning, "a positive H&S culture which secures the commitment and participation of employees" is unlikely to be achieved. This study therefore comes in support of previous literature (e.g., Bart *et al.*, 2001; Tessier and Otley, 2012; Henri 2006) by showing that belief systems may indeed become redundant unless they are supported by alternative mechanisms. In addition, the findings of this research reinforce the importance of interactive systems for creating and maintaining an appropriate balance between the remaining levers, bringing further empirical evidence that inconsistent, underdeveloped interactive systems can threaten the messages of belief controls and question the very assumptions of the "organisation's operating paradigm" (Mundy, 2010, p.515).

Designer intentions vs employee perceptions

Interview data also revealed important differences between the intentions of senior managers responsible for designing and implementing H&S control systems, and the perceptions of those who were subject to being controlled. In fact, three different perspectives emerged from the data, referring to: a) the intentions of designers of H&S control systems and members of the HSSG; b) the perceptions of managers and non-managerial employees working in clinical teams; and c) the perceptions of managers and non-managerial employees working in non-clinical teams. Specifically, directors involved in the management of H&S and members of the HSSG adopted a relatively broad perspective regarding the importance of the H&S control systems in the organisation, implying that the aims of the H&S policies and procedures are not only to promote desirable behaviours and improve the quality of services provided, but also to safeguard against important legal risks and negative publicity associated with violating H&S regulations:

Because I'm in the H&S [Steering] Group, I know for a fact that our conversations are never only about restricting or only about reinforcing [behaviours]. There's always a bit of both in there. I

think it has to have a bit of both in it. Coming from a learning point of view, yes, you really want it to be reinforcing [...] I think our policy sets out to encourage it. The restricting thing probably comes from... as a responsible employer, if you got pulled up in court, you've got to be able to prove that you've... that you're very, very clear with your employees about the restrictions, the 'must do' part of it. [Learning and Development Manager]

It appears, therefore, that even in spite of LoC imbalance, designers of MCS have a comprehensive view regarding the purposes of control. They understand the importance of protecting against risks and uncertainties (“the ‘must do’ part of it”), while at the same time recognising the role of H&S in reinforcing positive behaviours (“the learning point of view”). Particularly given that these senior managers were members of the HSSG, they do appear to understand the strategic relevance of H&S for the organisation as a whole. For respondents who were not directly involved in the management of H&S in the organisation, on the other hand, views were divided between those for whom H&S was seen as critical to their role, and those for whom H&S was not a major source of concern given the lower-risk nature of their jobs. For clinical staff in particular, H&S was viewed as more intrinsic to the job itself, and hence controls around H&S were perceived as helpful, rather than restrictive. Accordingly, engaging with ‘negative’ boundary controls such as risk assessments became an enabler to activities that were carried out in the best interest of the service users. These views were shared by clinical managers and non-managers alike:

Rather than looking at it stopping us doing things, it's about making things safe, risk assessments are put in place to enable things to happen. That's how I feel now. I think in the past, I used to feel that sometimes it stopped us doing things. I don't feel like that anymore. It definitely moved on over the years. And I think it's allowed us actually to do some things that we wouldn't be able to do without being able to risk assess properly and ensure that everybody stays safe. It's actually been enabling rather than restricting. [Associate Nurse Director]

It is about creating these memories [for children]. There may be small risks, but [H&S] is about minimizing them as much as possible. Putting measures in place so that you minimize risk and make sure that things happen. [Charge Nurse]

On the other hand, for non-clinical support workers and office-based staff, H&S was not seen as embedded in their roles, and as such, H&S procedures were often perceived as rather limiting:

Yeah, I do see it as being restrictive at times, I think. I used to be a nursery teacher years ago and there was loads of stuff you got to do back then that you can't do now because people in suits have decided that we can't do it. Yet they are not on the floor doing these things, and it is quite restrictive at times. [Support Worker]

This view comes in support of Tessier and Otley (2012) who suggest that controls implemented in departments that are more used to following strict procedures are perceived more positively than controls implemented in departments with less stringent activity protocols. In addition, such findings are consistent with studies that differentiate between positive and negative attitudes towards MCS depending on employees' degree of input into the design and subsequent changes of these systems (e.g., Ahrens and Chapman, 2004; Adler and Borys, 1996). Specifically, when workers are not consulted in this process and it is only "people in suits" who decide on the systems to be implemented, these are likely to be seen as coercive. Indeed, the phrase used here, "people in suits", is illustrative of a tension between employees and the designers of these MCS, due to their remoteness from the day-to-day work. Furthermore, for non-clinical employees, the types of H&S incidents that needed to be reported often appeared as menial, and the types of risks involved as rather minimal and distant from the core of the job itself:

The biggest risk I think we face is moving and handling and from time to time when some of our staff will be archiving old invoice files, for example, they have maybe a degree of risk there, but I think otherwise it is very desk-based and therefore the chances of something happening, thankfully, are fairly limited. [Interim Director of Finance]

Taken together, these perspectives are distinct from the views of designers of H&S controls, supporting Tessier and Otley's (2012) proposition that MCS research needs to distinguish between managerial intentions and employee perceptions. While those involved in designing and managing H&S appear to have a more comprehensive, and indeed, more balanced, view regarding the purposes of control, for the users of such systems, the key difference between perceptions of support vs constraint appears to be strongly linked with their domain of activity. To the extent that internal and global transparency of control systems (Ahrens and Chapman, 2004) is not effectively promoted in non-clinical teams and employees fail to understand the workings for these systems within their department and the organisation as a whole, perceptions of support are unlikely to be realised. In such cases, MCS are "subject to a continuous process of interpretation and re-interpretation" (Ahrens and Chapman, 2004, p. 166), in some cases leading to disengagement and lack of accountability:

There are certain things that we do that we shouldn't do (...) that are probably risks and we never get called out for it... [Community Fundraiser]

As indicated previously, the lack of interactive feedback mechanisms and opportunities for understanding and better aligning the distinctive priorities of designers and users of MCS may well be a reason for lack of employee buy-in in non-clinical teams. However, an equally important factor refers to the social context in which the organisation operates. In fact, several respondents suggested that the rather limited opportunities for effective dialogue in the organisation may stem from the fact that members are always used to thinking positively about the cause they support, which then translates into a culture where ineffective processes remain unchallenged. This reinforces a key point from the literature about the unique nature of the non-profit sector where individuals are typically driven by a set of shared values, which is in turn linked to the organisational mission statement (Macedo et al., 2016). The organisation's mission and values

are understood to have a positive influence on the motivation of staff (Macedo et al., 2016), as well as the overall performance of non-profit organisations (Verbeeten and Speklé, 2015). However, when individuals are not used to challenging one another, this creates an environment where they are more concerned with building relationships rather than making sure that ineffective processes are improved:

The nature of what we do is caring (...) And we constantly have to be bright and bubbly about our services because a lot of people have a negative idea about what that is. It's all nice and bubbly, that's the niceness of what we deliver. [H&S Advisor and Facilities Manager]

Although this ethos is important for the quality of care delivered to service beneficiaries, it also translates into a culture where *"the organisation invokes this niceness and forgets that there's a business underneath"* [H&S Advisor and Facilities Manager]. Further, the organisation is required to manage *"a group of people that are too busy being nice to each other"* [H&S Advisor and Facilities Manager] – which restricts their ability to contest ineffective processes. Through these findings, this study brings further empirical support to research by Bisbe et al. (2006) and Speklé (2001) who reveal that a focus on managing employee relationships as opposed to promoting constructive dialogue that challenges existing assumptions may ultimately impact on the use of interactive systems and further affect the balance between freedom and constraint.

Conclusion

To conclude, this study has furthered our understanding of the balance between controlling and empowering uses of MCS in a small palliative healthcare organisation. Drawing on Simons's (1995) LoC framework, this study exposed the main factors affecting managers' ability to achieve optimal dynamic tension between positive and negative levels of controls, namely insufficient resources to support dialogue and innovation, as well as low levels of consistency between the different imperatives of control. In doing so, this paper responds to calls for investigating the notion of LoC balance in an explicit rather than implicit manner (Kruis et al, 2016), and contributes to the currently limited literature investigating the factors promoting/ hindering effective interaction between the four systems of management control (Mundy, 2010). What is more, while prior studies have investigated the implications of MCS balance for different *organisational* outcomes (e.g., Tuomela, 2005; Widener, 2007; Koufteros et al., 2014; Speklé et al., 2017), this research shows that MCS imbalance can affect *individual* employees' attitudes towards the systems in place, particularly for teams (i.e. non-clinical) where H&S is not seen as directly relevant for day-to-day activities. Furthermore, this study finds that employee disengagement is supported through the social context in which the organisation operates, as it is the caring nature of the jobs and the emphasis on managing employee relationships that hinders effective dialogue.

As such, this research brings an important contribution not only to the management control literature, but to the non-profit literature as well, highlighting the specific challenges of such sectors in terms of designing and implementing management control practices beyond compliance. While non-profits' unique culture and their strong focus on mission and values are indeed necessary for their effective delivery of services (Verbeeten and Speklé, 2015), they do

seem to come in conflict with the requirements for managerial control, especially when competing for scarce resources (Tucker and Parker, 2013). What became apparent from our case study is that these are highly regulated settings but with low employee buy-in, which essentially renders managerial control ineffective. These are thus valuable insights which are sorely needed to enhance our understanding of how “formal and informal, technical and social, and organizational and managerial issues are closely intertwined” (Pešalj et al., 2018. p. 2170) in non-profit organisations.

The findings are subject to the usual analytical and interpretative biases characteristic to qualitative research designs (Mundy, 2010; Podsakoff *et al.*, 2003), which restricts their generalisability (Abernethy *et al.*, 1999; Merchant and Simons, 1986; Miles and Huberman, 1994; Yin, 2003) to some extent. This study aimed to produce an account of the different uses of MCS in a single organisation and further data could be examined in other organisational contexts. However, the findings can well inform the design of management control in organisational settings such as that in our case study: non-profit organisations delivering clinical services. Such lessons include supporting belief systems of control with alternative mechanisms such as interactive ones, the absence of which can threaten staff empowerment and buy-in in a setting where autonomy and discretion, as well as a sense of mission, are essential to safety.

Future research using an experimental research design may enhance our findings by allowing causal inferences to be drawn between the antecedents of balance as identified in this study, and engagement outcomes, either at the attitudinal or behavioural level. Then, insights from other organisational settings are desirable, to map out the range of interactions associated with other types of non-profit and public sector organisations with alternative strategic focuses. Moreover, future studies could look at alternative forms of controls used in long-term planning and strategic management, including performance management, auditing tools and financial policies. Finally, it would be interesting to see if new studies find evidence of other consequences associated with the lack of balance between control and empowerment, i.e. apart from employee attitudes and buy-in. The ultimate outcome of such research would be to develop a much more comprehensive understanding of the factors that promote both innovation and predictability, as well as alignment with organisational goals, especially in environments governed by uncertainty.

References

- Abernethy, M.A., Chua, W.F., Lockett, P.F. and Selto, F.H. (1999), "Research in managerial accounting: Learning from others' experiences", *Accounting and Finance*, Vol. 39 No. 1, pp. 1–27.
- Adler, P.S. and Borys, B. (1996), "Two types of bureaucracy: Enabling and coercive", *Administrative Science Quarterly*, Vol. 41, pp. 61-89.
- Ahrens, T. and Chapman, C.S. (2004), "Accounting for flexibility and efficiency: A field study of management control systems in a restaurant chain", *Contemporary Accounting Research*, Vol. 21 No. 2, pp. 271–301.
- Alavi, M. T., and Karami, A. (2009) "Managers of small and medium enterprises: mission statement and enhanced organisational performance", *Journal of Management Development*, Vol. 28 No. 6, pp. 555-562.
- Anthony, R.N. and Govindarajan, V. (2007), *Management Control Systems*, McGraw-Hill, Chicago.
- Baird, K., Su, S. and Munir, R. (2019). Levers of control, management innovation and organisational performance. *Pacific Accounting Review*.
- Bart, C.K., Bontis, N. and Taggar, S. (2001), "A model of the impact of mission statements on firm performance. *Management Decision*", Vol. 39 No. 1, pp.19-35.
- Bisbe, J. and Otley, D. (2004), "The effects of the interactive use of management control systems on product innovation", *Accounting, Organizations and Society*, Vol. 29, pp. 709–737.
- Bisbe, J., Batista-Foguet, J.-M. and Chenhall, R. (2006), "Defining management accounting constructs: A methodological note on the risks of conceptual misspecification", *Accounting, Organizations and Society*, Vol. 32, pp. 789–820.
- Bititci, U., Garengo, P., Dörfler, V., & Nudurupati, S. (2012), "Performance measurement: challenges for tomorrow". *International journal of management reviews*, Vol. 14 No. 3, pp. 305-327.
- Broadbent, J. and Laughlin, R. (2009), "Performance Management Systems: A conceptual model", *Management Accounting Research*, Vol. 20 No. 4, pp. 283-295.
- Brown, V. and Clarke, V. (2006), "Using thematic analysis in psychology", *Qualitative Research in Psychology*, Vol. 3 No. 2, pp. 77-101.
- Bruining, H., Bonnet, M. and Wright, M. (2004), "Management control systems and strategy change in buyouts", *Management Accounting Research*, Vol. 15, pp. 155–177.

- Cairns, B., Harris, M., Hutchison, R. and Tricker, M. (2005) "Improving Performance? The Adoption and Implementation of Quality Systems in U.K. Nonprofits" *Nonprofit Management & Leadership*, Vol. 16 No. 2,
- Charmaz, K. (2006). *Constructing grounded theory: A practical guide to qualitative analysis*. Thousand Oaks: Sage.
- Chenhall, R.H. and Morris, D. (1995), "Organic decision and communication processes and management accounting systems in entrepreneurial and conservative business organizations", *Omega, International Journal of Management Science*, Vol. 23 No. 5, pp. 485-497.
- Connolly, C. and Hyndman, N. (2004), "Performance Reporting: A Comparative Study of UK and Irish Charities", *British Accounting Review*, Vol. 36 No. 2 pp. 127–54.
- Corley, K. G. and Gioia, D. A. (2004), "Identity ambiguity and change in the wake of a corporate spin-off", *Administrative Science Quarterly*, Vol. 49, pp. 173-208.
- Dart, R. (2004) "Being "Business-Like" in a Nonprofit Organization: A Grounded and Inductive Typology", *Nonprofit and Voluntary Sector Quarterly*, Vol. 33 No. 2 pp. 290-310
- Dacombe, R. (2011) "Can we argue against it? Performance management and state funding of voluntary organizations in the UK", *Public Money and Management*, Vol. 31 No. 3 pp. 159-156
- Drucker, P. (1994), *Innovation and entrepreneurship (2nd ed.)*, Butterworth-Heinemann, Oxford.
- Flamholtz, E.G. (1983), "Accounting, budgeting and control systems in their organizational context: Theoretical and empirical perspectives", *Accounting, Organizations and Society*, Vol. 8 No. (2-3), pp.153-169.
- Fuglsang, L. and Sundbo, J. (2005), "The organizational innovation system: Three modes", *Journal of Change Management*, Vol. 5 No. 3, pp. 329–344.
- Franco-Santos, M., Lucianetti, L., & Bourne, M. (2012), "Contemporary performance measurement systems: A review of their consequences and a framework for research". *Management accounting research*, Vol. 23 No. 2, pp. 79-119.
- Gioia, D.A., Corley, K.G. and Hamilton, A.L. (2012), "Seeking Qualitative Rigor in Inductive Research: Notes on the Gioia Methodology", *Organizational Research Methods*, Vol. 16 No. 1, pp. 15-31.
- Greatbanks, R., Elkin, G., and Manville, G. (2010) "The use and efficacy of anecdotal performance reporting in the third sector" *International Journal of Productivity and Performance Management* Vol. 59 No. 6, pp. 571-585
- Greiling, D. (2007), "Trust and Performance Management in Non-Profit Organisations", *The Innovation Journal*, Vol. 12 No. 3, article 9.

Groen, B.A., Wouters, M.J. and Wilderom, C.P. (2017), "Employee participation, performance metrics, and job performance: A survey study based on self-determination theory", *Management Accounting Research*, Vol. 36, pp.51-66.

Heinicke, A., Guenther, T.W. and Widener, S.K. (2016). An examination of the relationship between the extent of a flexible culture and the levers of control system: The key role of beliefs control. *Management Accounting Research*, 33, pp.25-41.

Henri, J.-F. (2006), "Management control systems and strategy: A resource-based perspective", *Accounting, Organizations and Society*, Vol. 31 No. 6, pp. 529–558.

Herman, R.D. and Renz, D.O. (1999), "Theses on nonprofit organizational effectiveness", *Nonprofit and Voluntary Sector Quarterly*, Vol.28, No. 2, pp.107-25

Hull, C.E. and Lio, B.H. (2006), "Innovation in non-profit and for-profit organizations: Visionary, strategic, and financial considerations", *Journal of Change Management*, Vol. 6 No. 1, pp. 53-65.

Hyndman, N., & McDonnell, P. (2009), "Governance and charities: An exploration of key themes and the development of a research agenda". *Financial Accountability & Management*, Vol. 25 No. 1, pp. 5-31.

Jørgensen, B. and Messner, M. (2009), "Management Control in New Product Development: The Dynamics of Managing Flexibility and Efficiency", *Journal of Management Accounting Research*, Vol. 21, pp. 99-124.

Kloot, L. (1997), "Organizational learning and management control systems: responding to environmental change", *Management Accounting Research*, Vol. 8, pp. 47–73

Kominis, G., and Dudau, A. (2012), "Time for interactive control systems in the public sector? The case of the Every Child Matters' policy change in England", *Management Accounting Research*, Vol. 23, pp. 142-155.

Koufteros, X., Verghese, A.J. and Lucianetti, L. (2014), "The effect of performance measurement systems on firm performance: A cross-sectional and a longitudinal study", *Journal of Operations Management*, Vol. 32 No. 6, pp.313-336.

Kruis, A.-M., Speklé, R.F. and Widener, S.K. (2016), "The Levers of Control Framework: An exploratory analysis of balance", *Management Accounting Research*, Vol. 32, pp. 27-44.

Lam, F.C., Grubnic, S. and Glass, J. (2019). Mobilising Management Control Systems to Manage Stakeholder Relationships. In *Academy of Management Proceedings* (Vol. 2019, No. 1, p. 17649). Briarcliff Manor, NY 10510: Academy of Management.

Lindsay, C., Osborne, S. P., Bond, S. U. E. (2014), "The 'New Public Governance' and Employability Services in an Era of Crisis: Challenges for Third Sector Organizations in Scotland" *Public Administration*, Vol. 92 No. 2 pp. 192-207

Lopez-Valeiras, E., Gonzalez-Sanchez, M.B. and Gomez-Conde, J. (2016), "The effects of the interactive use of management control systems on process and organizational innovation", *Review of Managerial Science*, Vol. 10 No. 3, pp. 487–510.

Macdonald, E., and Caper, K. (2017), "Meeting local and national priorities for adults and children with terminal and life-shortening conditions in Scotland", Hospice UK, London

Macedo, I. M., Pinho, J. C., and Silva, A. M. (2016), "Revisiting the link between mission statements and organizational performance in the non-profit sector: The mediating effect of organizational commitment", *European Management Journal*, Vol. 34 No. 1 pp. 36-46.

Malmi, T. and Brown, D.A. (2008), "Management Control Systems as a Package – Opportunities, Challenges and Research Directions", *Management Accounting Research*, Vol. 19, pp. 287-300.

Manville, G. and Broad, M. (2013), "Changing Times for Charities: Performance management in a Third Sector Housing Association", *Public Management Review*, Vol. 15 No. 7, pp. 992-1010.

Marie Curie (2015). "83 unanswered research questions in palliative and end of life care" <https://www.mariecurie.org.uk/globalassets/media/documents/research/publications/83-unanswered-research-questions.pdf> (accessed on 10/11/19)

Martyn, P., Sweeney, B. and Curtis, E. (2016), Strategy and control: 25 years of empirical use of Simons' levers of control framework. *Journal of Accounting & Organizational Change*, 12(3), pp.281-324.

Merchant, K.A. (1985), *Control in Business Organizations*, Pitman, Boston.

Merchant, K.A. and van der Stede, W.A. (2007), *Management Control Systems: Performance Measurement, Evaluation and Incentives*, Prentice Hall, Essex.

Merchant, K. A. and Simons, R. (1986), "Research and control in complex organisations: An overview", *Journal of Accounting Literature*, Vol. 5, pp. 183–201.

Milbourne, L. (2013) *Voluntary Sector in Transition: Hard Times or New Opportunities?* Policy Press, Bristol

Miles, M. B. and Huberman, A. M. (1994), *Qualitative data analysis: An expanded sourcebook*. Sage, Thousand Oaks.

Miles, R.E., and Snow, C.C. (1978), *Organizational Strategy, Structure and Process*, McGraw-Hill, New York:.

Moore, M. H. (2000), "Managing for value: Organizational strategy in for-profit, nonprofit, and governmental organizations", *Nonprofit and Voluntary Sector Quarterly*, Vol. 29(1_suppl), pp. 183-204.

Moxham, C. (2009), "Performance measurement: Examining the applicability of the existing

body of knowledge to nonprofit organisations”, *International Journal of Operations & Production Management*, Vol. 29, No. 7 pp. 740-763

Moxham, C. and Boaden, R. (2007), "The impact of performance measurement in the voluntary sector", *International Journal of Operations & Production Management*, Vol. 27 No. 8 pp. 826 - 845

Mundy, J. (2010), "Creating dynamic tensions through a balanced use of management control systems", *Accounting, Organisations and Society*, Vol. 35, pp. 499-523.

Mura, M., Lettieri, E., Radaelli, G. and Spiller, N. (2016), "Behavioural operations in healthcare: a knowledge sharing perspective", *International Journal of Operations & Production Management*, Vol 36, No. 10, pp. 1222-1246.

Pearce, J., and David, F.R. (1987), "Corporate mission statements: The bottom line", *Academy of Management Executive*, Vol. 1, pp.109-114.

Pešalj, B., Pavlov, A. and Micheli, P. (2018), "The use of management control and performance measurement systems in SMEs: A levers of control perspective". *International Journal of Operations & Production Management*, Vol. 38, No. 11, pp. 2169-2191.

Podsakoff, P.M., MacKenzie, S.B., Lee, J.-Y. and Podsakoff, N.P. (2003), "Common method biases in behavioral research: a critical review of the literature and recommended remedies", *Journal of Applied Psychology*, Vol. 88, pp.879–903.

Radnor, Z. and McGuire, M. (2004) "Performance management in the public sector: fact or fiction?" *International Journal of Productivity and Performance Management*, Vol. 53, No. 3, pp. 245-260

Simons, R. (1995), *Levers of Control*, Harvard Business School Press, Cambridge, MA.

Simons, R. (2000), *Performance Measurement & Control Systems for Implementing Strategy Text and Cases*. Prentice Hall, Upper Saddle River, NJ.

Smith, M. and Bititci, U. (2017), "Interplay between performance measurement and management, employee engagement and performance", *International Journal of Operations and Production Management*, Vol. 37 No.9, pp. 1207-1228.

Speckbacher, G. (2003), "The economics of performance management in nonprofit organisations", *Nonprofit Management and Leadership*, Vol 13, No. 3, pp. 267-81

Speklé, R.F. (2001), "Explaining management control structure variety: A transaction cost economics perspective", *Accounting, Organizations and Society*, Vol. 26, pp. 419–441.

Speklé, R.F., van Elten, H.J. and Widener, S.K. (2017), "Creativity and control: A paradox—Evidence from the levers of control framework", *Behavioral Research in Accounting*, Vol. 29 No. 2, pp.73-96.

Stone, M.M., Bigelow, B. and Crittenden, W. (1999), "Research on strategic management in non-profit organizations", *Administration and Society*, Vol. 31 No. 3, pp. 378-424.

Strauss, A. L. and Corbin, J. M. 1990. Basics of qualitative research. Thousand Oaks: Sage Publications.

Taylor, M., and Taylor, A. (2014), "Performance Measurement in the Third Sector: The development of a stakeholder-focussed agenda", *Production, Planning and Control*, Vol. 25 No. 16 pp.1370 - 1385

Tessier, S. and Otley, D. (2012), "A conceptual development of Simons' Levers of Control framework", *Management Accounting Research*, Vol. 23 No. 3, pp. 171-185.

Tucker, B. P., and Parker, L. D. (2013) "Out of control? Strategy in the NFP sector: the implications for management control", *Accounting, Auditing & Accountability Journal*, Vol. 23 No. 2, pp. 234-266.

Tuomela, T-S. (2005), "The interplay of different levers of control: A case study of introducing a new performance measurement system", *Management Accounting Research*, Vol. 16, pp. 293-320.

Verbeeten, F. H., and Speklé, R. F. (2015), "Management control, results-oriented culture and public sector performance: Empirical evidence on new public management", *Organization studies*, Vol. 36 No. 7 pp. 953-978.

Walsh, V., Roy, R., Bruce, M. and Potter, S. (1992), *Winning by design: technology, product design and international competitiveness*, Basil Blackwell: Oxford.

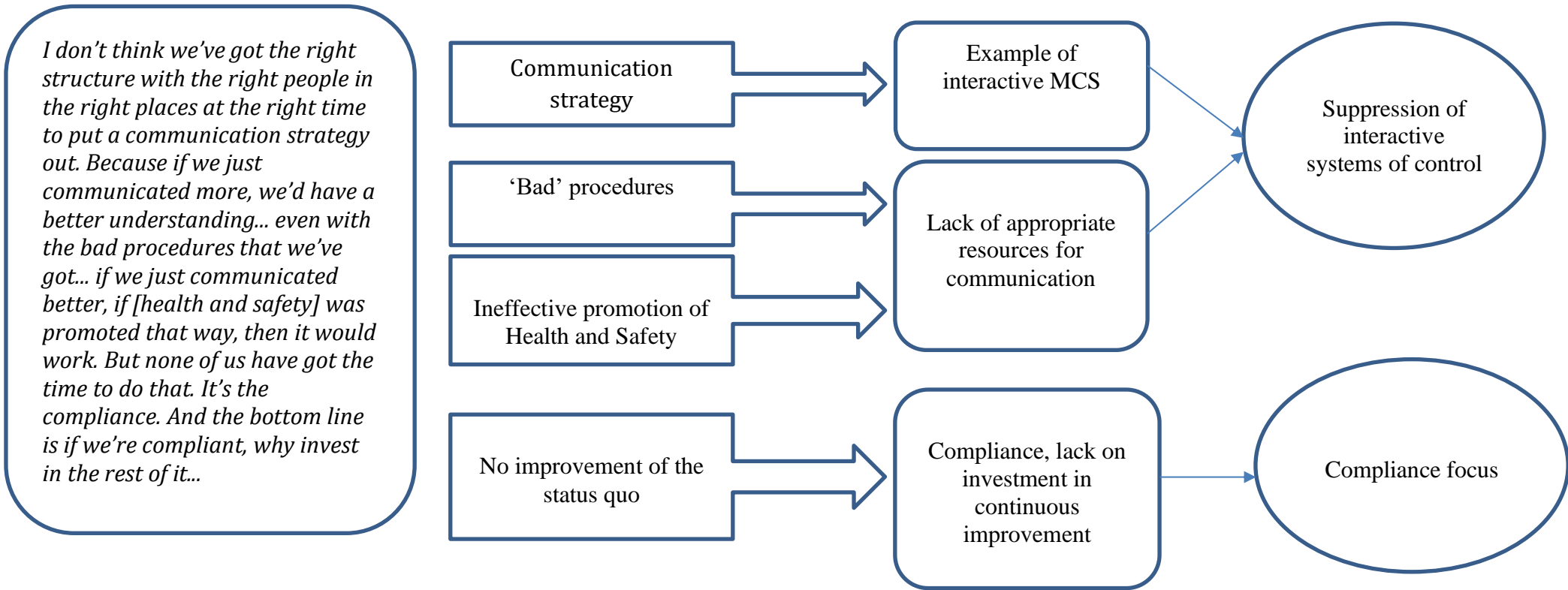
Widener, S.K. (2007), "An empirical analysis of the levers of control framework", *Accounting, Organizations and Society*, Vol. 32, pp. 757-788.

Yin, R. Y. (2003), *Case Study Research: Design and Methods* (3rd ed), Sage: London.

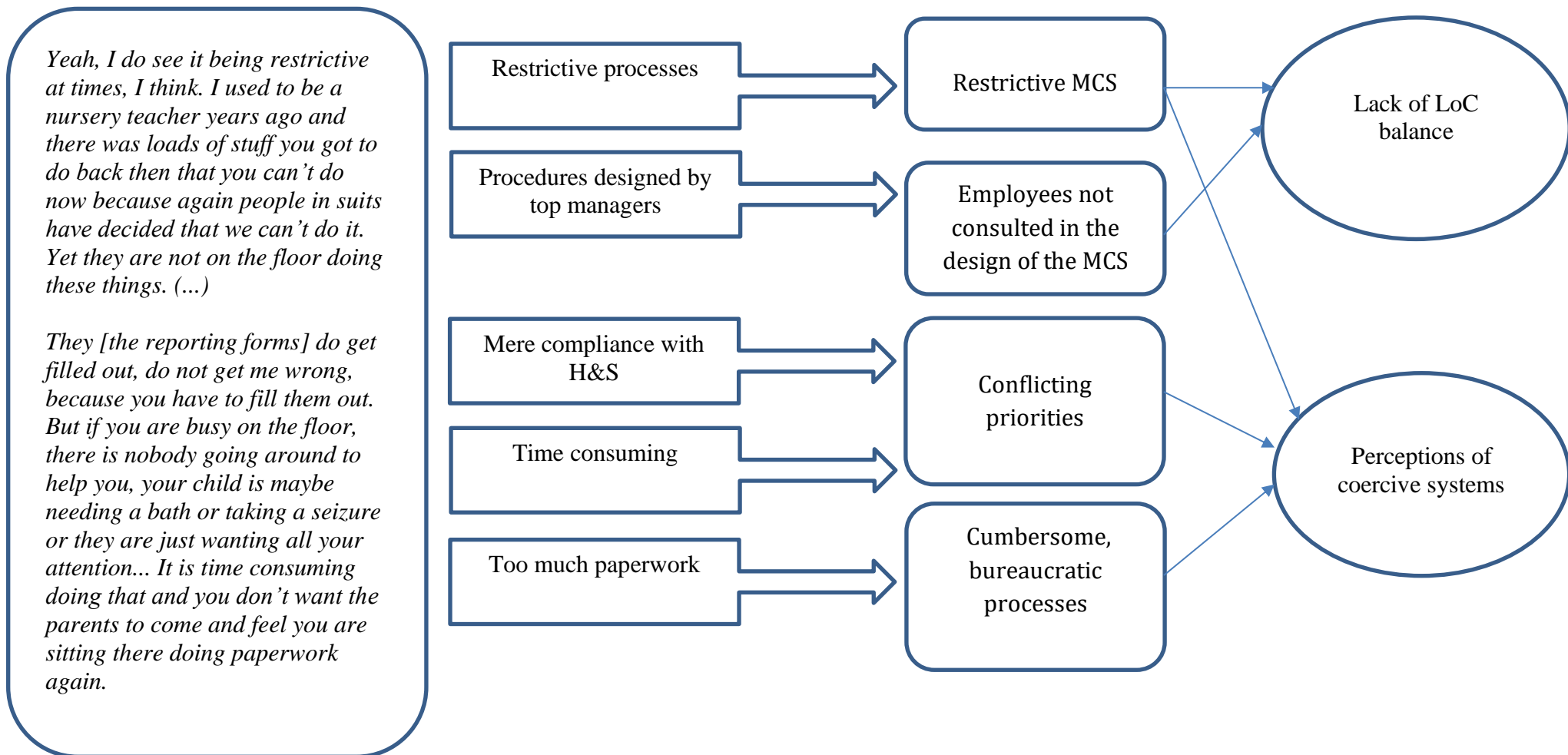
Zimmerman, J.L. (2005), *Accounting for Decision Making and Control*, McGraw Hill, New York.

Appendix 1 – Examples of thematic coding

Interview excerpt	1st order concepts	2nd order themes	Aggregate dimensions
-------------------	--------------------	------------------	----------------------



Interview excerpt	1st order concepts	2nd order themes	Aggregate dimensions
-------------------	--------------------	------------------	----------------------



Adapted from: Corley and Gioia (2004)

